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Live-Stock Industry in Western Canada

BY GRAHAM ANDERSON

Saskatoon,, Saskatchewan

ONE USUALLY SEES MORE in the daily press and farm periodicals about the grain raised in western Canada than about its live-stock industry. Nevertheless, this industry has always been a very important factor in the prosperity of the West, and will continue to increase in importance as the result of present economic conditions.

Great Opportunities for Cattle-Raising

Originally in western Canada, as in the western part of the United States, the land was open and unsettled, with the finest finishing grass in the world. Many far-sighted men from eastern Canada and the western United States saw the wonderful chances which it presented for raising cattle. Their only necessity was capital to start in the ranching business. Many began in a small way, gradually expanding as opportunity presented itself. In that part of the Northwest Territories which is now Alberta there were located some of the largest outfits. In what is now Saskatchewan there were mostly smaller concerns, though a few large ones were in operation. With the advent of the homestead law, settlers from the East and from the United States commenced to flock in. The grazing land was leased by the Dominion government at a nominal rental of 2 cents an acre. The wisest of the ranchers foresaw the situation and secured leases, most of them running for a period of twenty-five years. From time to time the grazing laws have been revised, so that the length of term of re-lease has been cut from twenty-five to fifteen and ten years, and the leases have become subject to cancellation at any time, with due notice. In case of sale the lessee has prior right to purchase.

Immigrants Settle on Grazing Land

Conditions similar to those which prevailed in some of the western United States have obtained in this country, in that, with the increased immigration, much land was settled which should not have been cultivated, but should have been reserved for grazing, either because it was situated in an area of reduced rainfall or because of poor soil. Further, as leases expired, settlers clamored to have the land thrown open, so that friends and relatives might settle on it. In consequence, many leases were canceled which should have been left as ranches. Much of this land, however, will revert to pasture, as better opportunities are offered in other parts. With the leasing system, the land was fenced, permanent improvements were made, and the owner was forced to reduce the number of his stock. He was able, and it was worth his while, to make such purchases of pure-bred bulls as would increase the quality of his herd.

For a time, because the homesteader was primarily concerned in breaking up the land and in raising grain, the number of live stock was materially decreased; but now it is again increasing. The reason is that many problems have arisen from grain specialization which call for solution, and the keeping of live stock will aid in curing some of the ills. In some places soil-drifting has become troublesome; in other parts drought and rust, and such pests as the Hessian fly, the grasshopper, and the western wheat-stem sawfly, are to be contended with. These have caused the farmers to search for remedies in the form of forage crops for rotations, which, of course, necessitate the keeping of live stock. As a result of post-

war deflation and the United States tariff, the industry has been hard hit. This is especially true of the rancher with feeder cattle. But the fact is that the farmer, in searching for a solution for his problems, is also assisting the rancher in solving his. The latter of necessity has had to reorganize his business, so that he may operate on something approaching a profitable basis.

Farmers Take Young Cattle for Feeding

The question is asked: "How does it affect the rancher?" The answer is that the farmer growing forage must have cattle to feed it to; therefore the rancher sees possibilities of disposing of his stock. It cannot be done in the old hit-or-miss fashion, but requires a sound business basis. The rancher sees that he cannot afford to raise the old kind of slow-maturing three- and four-year-olds, to ship to market in the fall, but that he must raise calves and long yearlings, to be sold to the farmer feeder in the fall, so that, after the feeding period, the young stuff will reach the market at twelve to twenty-four months and weighing from 1,000 to 1,200 pounds. That is what the market is demanding, and many problems are being solved in that way. In order to raise quick-maturing cattle, the rancher realizes that he must have quality and uniformity. Many of the best ranches are organizing their business so as to go on a cow-and-calf basis, and raise the quality of their cattle by the use of better bulls. This means that the stockman has a more rapid turn-over, his overhead is less, his paper is on shorter terms at the banks, capital is more easily secured, and therefore he can operate upon a closer margin, and yet show more profit, than under the old system.

It will be realized that all the land in western Canada which has not been homesteaded or purchased, with one or two exceptions, is under lease, and so under fence. This means that the rancher's troubles are reduced somewhat. He may handle the lease as he desires, provided he has a minimum of one cow or five sheep to thirty acres. Therefore he can carry on his own breeding policy and methods of handling. Canadian ranges, as well as those south of the international border, have suffered from a period of overstocking, and hence overgrazing, with its consequent bad results. Their carrying capacity has been greatly reduced, as indicated by the presence of sage and wild asters. However, economic conditions have caused a depletion of the stock, so that the grass has had a chance to recover. Last year, due to the exceptionally heavy rainfall throughout the West, was a wonderful season for plant growth, and all grasses, especially the gramas, produced an abundance of seed. Nevertheless, the greatest care will have to be exercised to prevent the permanent deterioration of the ranges.

The West has continued to increase the number of cattle fed on farms. This year there are some 5,000 more cattle on feed in Manitoba than a year ago. This will assist in relieving some of the farmers, whose crop last summer was badly damaged by rust. In Alberta and Saskatchewan there has been an increased interest shown in cattle- and sheep-feeding, due in no small part to the efforts of the different live-stock associations and governments in promoting stocker and feeder shows. Last winter several large outfits were feeding sheep on screenings. The last two years they have made money on this cheap feed.

Community Pastures in Saskatchewan

In Saskatchewan the provincial government has made provision for community pastures. This was done in order to aid the small man on the farm or ranch to secure summer pasture. When a lease expires, and the lessee does not desire to re-lease, the province leases the land from the Dominion government, if the residents have petitioned for a community pasture. With the small ones, a co-operative grazing association is formed under the Co-operative Companies Act. The land is then leased from the province. Certain regulations are laid down as to rental, breeding, etc. In 1922 the provincial government of Saskatchewan took over the Matador lease, comprising some 138,000 acres, for a community pasture, the company having given up its lease. As it was too large for one local association to handle, the government is handling it as an experiment, with a resident manager and riders. The range is all fenced and cross-fenced, and well watered. Cattle and horses are accepted from residents of the vicinity, with registered brands only, at a nominal rental, grazed and cared for by government riders, and turned back in the fall to farmers and stockmen, to be fed during the winter. Only pure-bred bulls are used. In the future three beef breeds will be handled, in separate breeding pastures—Aberdeen-Angus, Shorthorns, and Herefords. The government contracts to handle them with all due care and vigilance, but is not responsible for loss by disease or accident. In case of non-payment of fees, the stock is held and, if necessary, sold. After one year's operation the experiment is working very successfully, though at only one-third of the carrying capacity of the range. Alberta has several small associations operating, while in both provinces, upon the federal forest reserves, associations are operating under regulations similar to those of the United States Forest Service. To date the trouble here has been that they have not been running at anything like full capacity, only about one-fourth of the land being used for summer grazing. Much good mountain sheep range has not been used in Alberta, chiefly due to the inability of owners to secure herders who understood handling sheep under mountain conditions; but great opportunities exist for development.

TYPE OF STEERS ON RANCH IN WESTERN CANADA

In British Columbia the federal service controls only reserves within twenty miles of the railway, the remainder being provincial reserves. That province has formulated a definite policy for its lands, under a grazing commissioner. The scheme is just getting under way, but promises to be successful, because organized control is necessary to handle the ranges properly. The grazing fee is 5 cents per head per month for seven months, one-third of which is used to build roads, improve water-holes and drift-fences, care for rotations, reseeding, and educational work; the rest going for administration. The climate is favorable for cattle-raising, but at present the problem is marketing, partially owing to the independence of the rancher and his disinclination to co-operate. However, there seems to be a trend toward organization at the present time.

Dairying Making Great Progress

Dairying is rapidly increasing in all the western provinces, with the growing use of corn as forage and ensilage. Last year there were some 500,000 acres of corn raised in Saskatchewan, in addition to other forage crops. In the past we imported great quantities of butter, but now Saskatchewan is exporting a large surplus of high-grade dairy products. This is true also of Manitoba and Alberta, the former province exporting over 4,000,000 pounds of butter last year. This has been accomplished largely by the uniform butter- and cream-grading services in operation in the prairie provinces. In 1923 Alberta, Saskatchewan, and Manitoba sold some $54,000,000 worth of dairy products, which is adding greatly to the prosperity of the West.

It may be of interest to sheepmen to know that practically the entire wool clip from range flocks in western Canada is sold through the Canadian Co-operative Wool Growers' Company, Limited, which grades, stores, and sells the clip. Production in 1923 was 1,050,000 pounds of range wool, which brought an average price of 27½ cents per pound, at a selling cost of 2¼ cents per pound. This, it is stated, is the lowest selling cost for wool in America. A large part of this clip was sold direct to the mills at Bradford and London, England.

The logical market for our cattle is the United States, because of our nearness to your markets. However, your tariff has forced us to seek other outlets. Though not raising the United States price one cent, the high duty has depressed our market quite appreciably. Of course, we have an outlet to Great Britain which helps to maintain our price, in that it aids our producers to secure better terms, provided they have quality stuff. But the biggest profit of the trade is

HERD OF PURE-BRED HEREFORDS ON SASKATCHEWAN RANCH

not being made by the producers here, but by the butchers over in the old country, who buy our cattle at a discount, below the price of their home-grown steers, and sell them, when dressed, as "prime Scots," at high wholesale and retail prices. Just the same, we are catering for that trade, and in so doing are raising the quality of our home products. It demands that the business of the rancher be reorganized upon a cow-and-calf basis—more feed, better breeding and management, so that capital may be safely invested in the industry. With the farmer winter-feeding what are now his waste products and forage, and with the rancher able to secure a quick turn-over, the future seems brighter for the western Canada live-stock industry than it has been for some years.

BASIC ECONOMIC PROBLEMS OF AGRICULTURE

BY I. L. GOTTHELF

Saguache, Colorado

AGRICULTURE today is paying an unjust proportion of the taxes. Farm lands represent approximately one-third of the national wealth, but the farmer is paying from 50 to 60 per cent of the taxes. This is due to the inflated values on land, as land is appraised for taxation far in excess of its real worth, which is based on the return possible from production. Just in proportion as taxes increase, returns, and therefore land values, shrink. The farmer's property is all in tangible form, and is readily accessible for appraisal. Farm assets cannot be camouflaged so readily as those of industry.

Freight Rates and Farm Prosperity

Increases in freight rates bear much more heavily upon the farmer than upon industry, because the farmer cannot pass his freight charges beyond his own hands. His contact with nature is direct, and he cannot charge transportation against her. The farmer must pay freight on all he sells as well as on all he purchases. He is the shipper of the heaviest and bulkiest of materials. Aside from coal, it is estimated that the farmer is paying approximately 70 per cent of the total freight bill. His products must all be moved to consumptive markets, and live stock, wool, grains, potatoes, fruits, and vegetables are all priced at consumptive points after freight is paid. The products which the farmer purchases and on which he must pay the freight all carry heavy charges—such as fertilizer, seed, farm machinery, tractors, implements, salt, wire, etc. He cannot add, as a business expense, taxes and freight charges to the products he sells, in the same manner as the manufacturer.

Cost of Production and Product Prices

The farmer's cost of producing and marketing cannot be considered in relation to selling prices, as it is entirely unrelated to market values. The price the farmer receives is controlled by a force outside his own efforts—namely, the law of supply and demand. Farmers and stockmen are all in keen competition with each other locally and nationally, as well as on the world markets. They buy in a seller's market and sell in a buyer's market. In both cases the prices are largely controlled by others. The only influence the farmer can exert on the prices of things he buys is by restricting his purchases either in volume or through a price maximum above which he will not pay. His only influence on selling comes through a restriction of supply or an improvement in quality.

All business costs—rents, taxes, interest, freight, insurance, and labor costs—are added by the manufacturer to the selling price of all commodities manufactured. The consumer pays these bills at once, or the manufacturer restricts production. In the case of the farmer these costs must be borne directly, and are taken out of his selling price. He cannot pass them on to the consumer. It is only upon special commodities, or in times of great shortage, that prices can be had commensurate with production and merchandising costs to the farmer.

Agricultural Hazards

No other business faces the same hazards and daily fluctuations in prices that agriculture does. The producer's crops are at the mercy of the elements. Excess of moisture or drought, floods or hail, may destroy a year's efforts. The producer must bear the loss from rodents, parasites, rusts, fungi, and other unavoidable menaces. In the aggregate, his products are remote from consumptive markets. Most crops are perishable, and nature has decreed the time of planting and harvest. The producer has at best only one crop turn-over a year. In live stock his turn-over is from one to three years. The dumping of products within a crowded marketing season is due to the seasonal nature of the business, and also to the pressure of labor conditions, temperature, roads, transportation accommodations, and, last but not least, financial obligations.

Farm Labor

Industrial expansion, with its ever-increasing demand for labor, its regular hours, and its high wages, has left the producer with a restricted quota from which to choose. All too frequently the physical and mental derelicts, who lack the strength or the initiative to meet industrial standards, provide the farm's labor supply—the poorest in kind and quality, and the highest priced in terms of efficiency.

Seasonal demand precludes the possibility of steady employment on farms, except for limited numbers in the generalized farming states. The class of work required by farmers, the hours of labor necessary to accomplish results, and the lack of opportunity for social and recreational advantages, all drive men from the farms to the cities. Married men, who make the most desirable workers, prefer the industrial life, even at less net remuneration, on account of the social, recreational, and educational advantages which the cities provide.

Class Interests

Farming covers the entire country; industry is more circumscribed, and segregated in small centers. Those engaged in industry are more homogeneous in type, and are better able to co-operate and co-ordinate their class interests. Farmers are, in the aggregate, a heterogeneous type, widely scattered and dissociated. They are, by nature, intensely individualistic, and their knowledge of business principles and economic laws is restricted too closely to their local conditions. They are traditionally partisan politically, and only occasionally are they class-conscious at the polls. They may know what they want, but as to the necessary procedure to secure results they are practically inarticulate and unenlightened. Thus they are very susceptible to the influence of political demagogues, and fall easy victims to uneconomic panaceas, which invariably leave them in worse condition—witness the Populist and Non-Partisan League failures.

Agriculture as a Business

Farming is today about the least attractive of any field of endeavor to men of intelligence, ambition, and energy. It is so because it offers the least personal reward for business acumen and the exercise of business sagacity. A farmer

cannot merchandise—he merely sells. He has no business—only a vocation. He does not sell his commodities to the public direct, but through brokers, bankers, manufacturers, or processors, who all have the advantage over him of business co-operation, high organization efficiency, more favorable credit accommodations, and preferential rates of interest. Industries adjust production to consumptive demand. The farmer cannot produce on this basis, owing to his geographical location, soil and climatic conditions, and the transportation problem. All these elements affect, and in part predetermine, what he must produce. Diversification of farming has its limitations. The time equation between planting and harvesting gives very little latitude or choice of crops in relation to demand. Wheat, cotton, potatoes, etc., are all world crops in which planting, growing, and harvesting is almost a continuous process from a world-wide standpoint. There is a wheat crop harvested at some place in the world nearly every month of the year.

American farmers are producing commodities in competition with the cheapest labor in the world, and are operating at the highest of world costs. Our producers must pay high railroad rates against low water rates, and are handicapped by the most expensive labor and the highest-priced money. On top of this, they must buy their equipment and supplies in the highest of markets. Tariffs now in operation do not give the producer compensatory return in relation to the protection of industrial production.

The farm-owner today, if he succeeds, must be willing to work longer hours, live more frugally, and do a class of work that the most menial or commonplace laborer is refusing to perform. Of course, these statements are true only as generalities. For example, feeders of cattle and hogs may, in many instances, be highly prosperous, because they can purchase feeders below the cost of production, and thereby become, not farmers, but speculators.

Agriculture as a Field of Investment

While farming offers the greatest opportunity for individual success of any vocation or profession, farmers gain profitable returns in relation to parallel capital investments and business risks only in exceptional instances. Two hundred thousand dollars invested in farming yields a lower return than a similar investment in almost any other industry. Furthermore, banking and credits are organized to meet industrial needs, and do not meet the necessities of agriculture, either in terms of time or in rates of interest compatible with the ability of agriculture to pay. If this were not correct, live-stock and farm paper would not be the least desirable of all banking loans and subject to the highest penalties. Western and inter-mountain interest rates at 9 and 10 per cent are economically impossible.

Rate of Turn-Over and War Investments

Farmers have not recuperated from the war inflation and the deflation reaction. The government put prices on all basic commodities, and encouraged producers to increase production of both farm and live-stock products to the maximum of their ability. This necessitated a great increase in farm equipment and farm investment, with a possibility of a turn-over from two to five years later. In the western range states great depletion and permanent damage resulted from overstocking.

Farmers were first forced to borrow money to buy bonds and make donations, and later were forced by necessity to sell these bonds at discounts as high as 15 to 20 per cent. Furthermore, they had to borrow money to meet expenses and taxes, and to supply funds to carry the surplus of their production. The post-war collapse found them with an unmarketable surplus on hand, and a depreciation of from 25 to 50 per cent in value on the average. Meatless and wheatless days permanently left their effect on the public mind, and the per-capita consumption of beef has not yet reached a pre-war basis. The cattle industry is still struggling under a war-accumulated surplus. This condition has not ceased to be a war emergency. The merchant can sell, take his loss, replenish his stock at lower prices, and recuperate, where the live-stock producer, because of his slow turn-over, cannot. The last two years have produced the returns on the high-priced live stock and farming plants developed during the war, in all cases in the form of dollars worth only 60 to 80 per cent of their pre-war value and only 30 per cent of their war level.

Some Thoughts on Remedies

Farmers must have equal opportunity with industry, if they are to survive. As suggestions for measures that might help, the following are offered:

1. Financing the producer by the government through our local banks, at a government-fixed rate of interest, which is not to exceed the rate of interest on foreign loans. Local banks could well afford to handle this government money, in connection with their regular routine of business, at a 1 per cent margin, as it would greatly increase the value of their present loans. This money should be made available for terms paralleling the turn-over on the live-stock or crop production peculiar to the locality, and interest should not be deducted from the principal at the time of loan—a pawn-shop method at best. Some loss might occur to the government, but the percentage would be negligible in proportion to the benefits accruing to the country as a whole.

2. A reappraisal of land and its chattels for assessment on a basis commensurate with the actual values in terms of producing capacity.

3. Readjustment of railroad rates on live stock and agricultural products, so that at least there shall not be a greater charge for any intermediate haul than there is on a long haul, and adjustment of water rates through the Panama Canal so as to put its traffic on equal terms with that over the transcontinental railways.

4. Repeal of the progressive income tax, and stopping the further issuance of tax-free securities, so that capital may be diverted to productive channels, thus creating more property to share in the tax burden.

5. Adjustment of tariffs on the basis of the difference in the cost of production here and abroad, and without distinction in favor of the manufacturer.

Necessity for Preferential Action

Millions of farmers and stockmen are facing ruin or great losses for which they themselves are not responsible. They are the unfortunate victims of a world-wide cataclysm, the like of which history has not previously recorded. The very life of our nation, the stability and security of our political institutions, are being threatened by an economic situation which is affecting forty million or more of our best citizens. Our government must first save our nation before it looks across the vast expanse of oceans to suffering aliens. We must preserve peace, prosperity, and happiness at home before we can hope to eliminate social, economic, or political suffering abroad.

"I do not want to miss a single issue of THE PRODUCER. After my day's busy work, I find rest in looking over the various articles from the large territory which this magazine covers. In its pages I get more information about the various gatherings of our cowmen than in any other magazine that reaches my desk."—Z. D. HAVENS, Union Stock Yards, Denver, Colo.

PACKERS DECLARE CONSENT DECREE VOID

A JOINT BRIEF filed in the District of Columbia Court of Appeals by the Swift and Armour interests declares invalid the Consent Decree entered into in 1920 by the "Big Five" packers and the government of the United States. By the terms of this decree the packers, it will be remembered, agreed to divest themselves of various commercial activities not directly connected with the packing industry.

The claim is now made that the government has violated its part of the agreement by a statement recently submitted to the court which carried the implication that the packers had been doing business in violation of the anti-trust laws. "The decree," says the government's statement, "does not find that there was no violation of law by these defendants, but merely provides that the decree shall not be considered an admission by the defendants that they had violated any law. . . . The implication is that the facts necessary to sustain the decree existed." Against this the two packer groups contend that when they consented to the issuance of the decree it was on the express condition that such consent should not in any way be construed as an indication that they had violated the law.

The case in which Armour and Swift have filed their brief as intervenors is one involving a request by the California Co-operative Canneries for the modification of the decree.

DISTRIBUTION OF HUMAN AND LIVE-STOCK POPULATION

DIFFERENCES between the problems affecting feeding conditions in Europe, where industrial and agricultural regions are never far separated, and those of the United States, whose manufacturing population occupies sections removed by long distances from the chief food-producing areas, are interestingly set forth under the above heading in the April number of *Monthly Letter to Animal Husbandmen*, issued by Armour's Live-Stock Bureau, from which we quote the following paragraphs descriptive of the maps accompanying the article, generously lent us for reproduction in THE PRODUCER:

"An examination of the map of Europe will show that the industrial sections and the big cities are reasonably well distributed over the whole area. Regions consuming large volumes of farm products are never far removed from the regions of agricultural production. Thus each industrial center draws mainly on the neighboring fertile farm lands for its supplies. Only a limited movement of agricultural commodities takes place, and equipment for processing and transporting products over long distances has not been developed to any great extent. In fact, the general rule throughout the Old World is to find producer and consumer almost next-door neighbors.

"The situation in the United States is entirely different, due to two separate reasons. In the first place, the ore- and power-producing sections are in general widely separated from our most fertile and profitable farm lands; and, in the second place, our country was settled by migrational waves from east to west during the era of modern industrial and transportational development, instead of meeting those economic and technical changes, like Europe, with her inhabitants well established and evenly distributed.

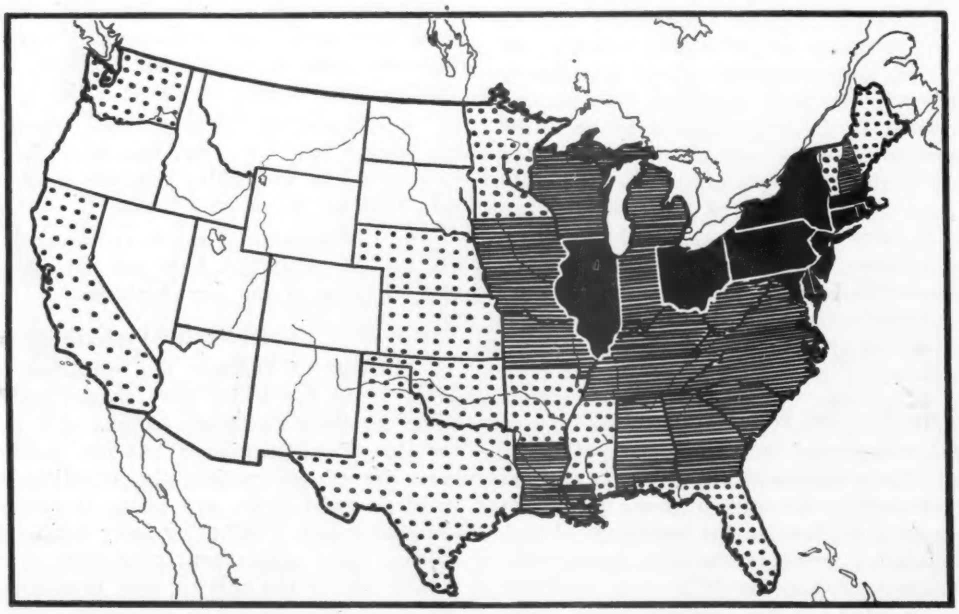
"As a result, population in the United States is concentrated along the northeast Atlantic seaboard and at the foot of the Great Lakes. Map I shows ten states having over 100 inhabitants per square mile, whose population constitutes 41 per cent of the country's total.

"The distribution of cattle per unit of area is shown in Maps II and III. Map II demonstrates that the region of concentrated beef-cattle raising is located on a north-south axis throughout the center of the United States. On the other hand, Map III indicates that dairy-cattle production lies on an east-west axis, coincident with the states of densest human population, except for an extension into the Northwest. In the easternmost of these states dairy products are practically all consumed locally, while in the northwestern states the surpluses which enter into interstate trade are produced.

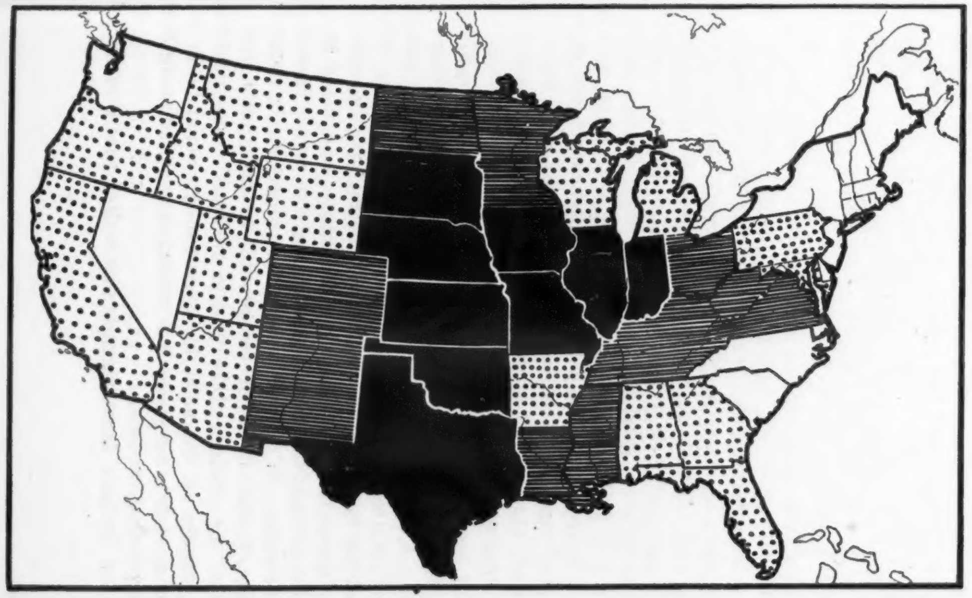
"Swine and sheep production is shown in Maps IV and V. Map IV indicates that swine production from a unit-area standpoint is heaviest in the Corn Belt states, with an extension into the northwestern dairy states and another into the Cotton Belt. The Corn Belt area supplies most of the commercial hog crop, the relatively heavy production of the Southeast hardly sufficing to supply the local demand, due to the light weight, slow maturity, and high proportion of breeding animals among hogs of this district.

"Sheep show two regions of concentrated production. The western or mountain region is largely devoted to breeding, with a localized feeding area in north-central Colorado. The Mississippi Valley area is also devoted to breeding in its eastern section, but in the western section, including the states of Iowa and Missouri, feeding is the primary occupation.

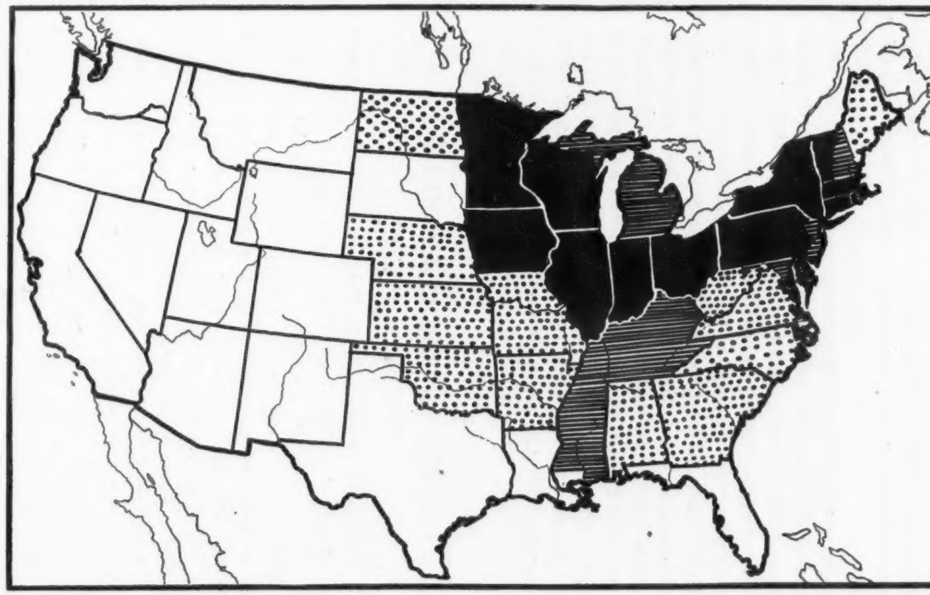
"With the exception of dairy-cattle distribution, none of the classes of live stock correspond in their areas of concentrated production with the regions of densest human popula-



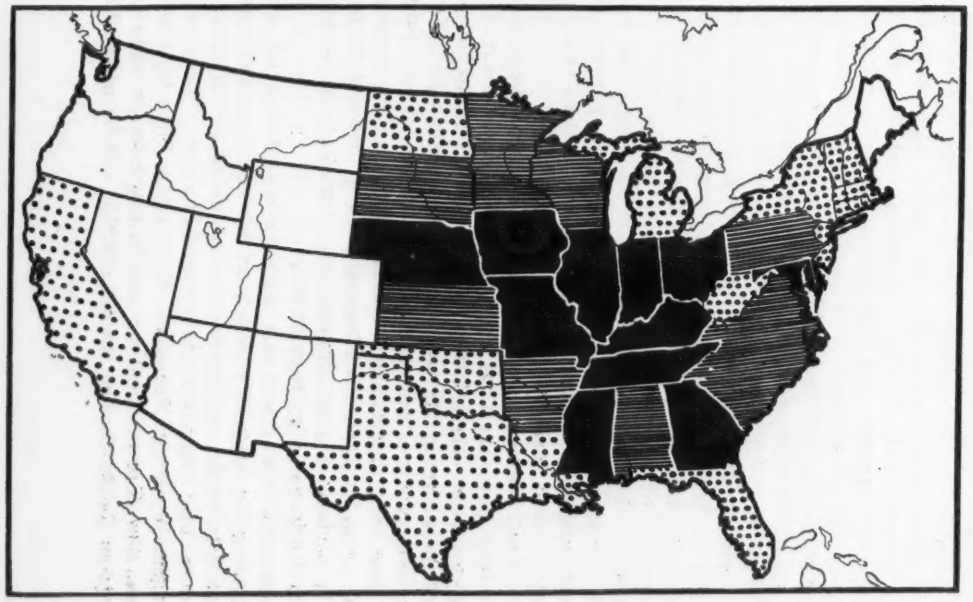
MAP I—POPULATION. States shaded with black have over 100 inhabitants per square mile; those shaded with lines, 40-100; those shaded with dots, 10-40; those unshaded, less than 10. (1920 census.)



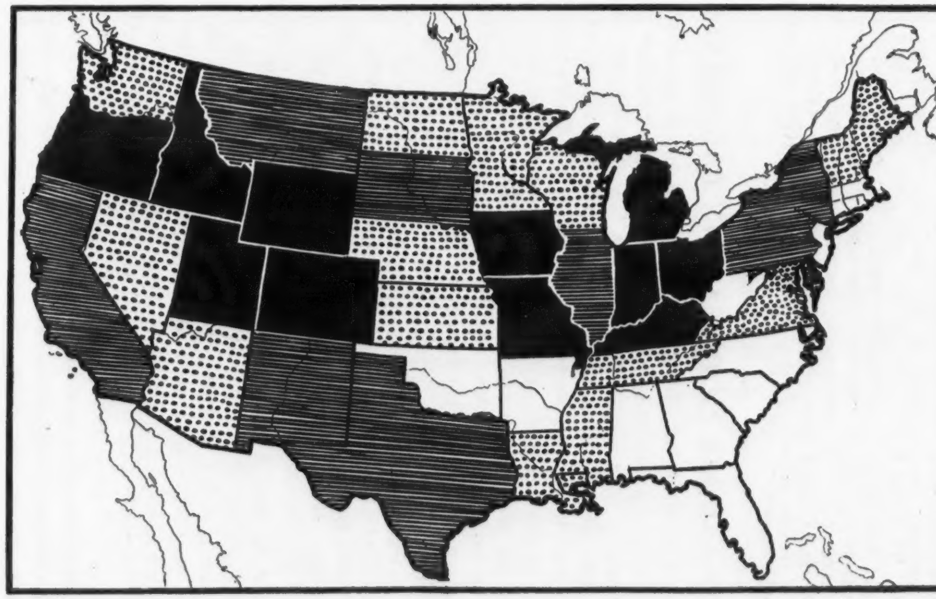
MAP II—BEEF CATTLE. States shaded with black have over 15 head of beef cattle per square mile; those shaded with lines, 10-15; those shaded with dots, 5-9; those unshaded, less than 5. (1920 census.)



MAP III—DAIRY CATTLE. States shaded with black have over 25 head of dairy cattle per square mile; those shaded with lines, 16-25; those dotted, 8-15; those unshaded, less than 8. (1920 census.)



MAP IV—SWINE. States shaded with black have 30 or more swine per square mile; those shaded with lines, 20-29; those dotted, 5-19; those unshaded, less than 5. (1920 census.)



MAP V—SHEEP. States shaded with black have over 15 sheep per square mile; those shaded with lines, 10-15; those dotted, 3-9; those unshaded, less than 3. (1920 census.)

tion, and consequent heaviest consumption. The contrast with the conditions as described in Europe herewith becomes apparent. That the United States has been able to maintain the strategic position of retaining the bulk of her population along the seaboard is due to the fact that the agencies of transportation and live-stock processing have enabled the dwindling proportion of agricultural population, despite its inland location, to reach the consuming centers of population promptly and efficiently."

FOOT-AND-MOUTH DISEASE IN CALIFORNIA

THE RECENT OUTBREAK of foot-and-mouth disease in California promises to make interesting history for the range man of the West. Never before have the officials had to handle the disease on the ranges. In the Corn Belt cattle are confined to relatively small areas, while, to get an accurate picture of the situation in California, one must take in territory on the east coast from Maine to Florida.

The outbreak was first noticed late in February in hogs known to have been fed garbage from ocean liners coming from the Orient. These hogs were situated in the bay district of San Francisco, in the counties of Solano, Napa, Alameda, and Contra Costa. Due to the vigilance of veterinarians, the disease was confined to this area for almost thirty days. However, from some unknown cause, another outbreak was discovered in the central San Joaquin Valley in Merced County. Before rigid quarantine measures could be put into force, shipments of calves were made to the then high markets at San Francisco and Los Angeles, passing through the stock-yards to local packers holding pens and feed-yards. At the close of March all killers in these areas were forced to slaughter the supply normally held on hand, which overloaded consumptive channels. All through the month of April a rigid forty-eight-hour quarantine was maintained at both markets. Practically no new outbreaks have been reported in the bay district during the past two weeks. Some infection has, however, been discovered of late near Stockton.

Quarantine at this writing (April 27) exists in sixteen counties in the state. An air-tight quarantine has been thrown around Merced and Mariposa Counties, and all persons, vehicles, and equipment are thoroughly disinfected when entering or leaving the area. An armed patrol of range riders, forest officials, and Biological Survey hunters is keeping all cattle out of the mountains. The Bureau of Animal Industry has placed 125 veterinarians in the state, who, together with fifty inspectors from the State Department of Agriculture, form the leaders of the movement to stamp out the disease. The weapons are rubber boots, slickers, steam shovels, spray wagons and tanks, shotguns, and plenty of disinfectant.

A spirit of co-operation is manifest throughout. The Biological Survey has laid a thirty-mile poison-bait line around the four counties in the bay district, to prevent the movement of dogs, coyotes, and other wild animals into the hill land. In the Merced area another eighteen-mile block has been made for the same purpose. City, state, and federal meat-inspection restrictions have been tightened up, so that all meat and meat-food products bearing official inspection stamps are safe. Hay, straw, hide, and wool shipments out of the port of San Francisco have been discontinued, unless disinfected by dipping, and all straw, hay, and miscellaneous packing material coming into the port are burned immediately. Vessels have instructions to discharge all garbage at sea.

Live stock from states east can move without special permit if going for immediate slaughter, but all caretakers must undergo disinfection, and their clothes are completely laundered when once their shipments are delivered to plants. The states of Oregon, Wyoming, Nebraska, Washington, Nevada, Utah, Arizona, New Mexico, Colorado, and Kansas have declared an embargo on California live stock, so that it will be impossible to move any California spring lambs to eastern markets alive, although a considerable portion have reached the Atlantic seaboard in refrigerator cars bearing United States inspection stamps.

Figures released by federal and state officials as to the direct cost of the epidemic, up to April 23, 1924, were: animals destroyed—cattle, 29,102; swine, 11,594; sheep, 13,011; goats, 329; total, 54,036 head; appraised value, approximately $2,000,000; property destroyed, $35,000. Newspaper accounts have led the public to believe that the losses were tremendous. The statement has been made that there will be a shortage of all live stock for California packers another year. A study of the figures would seem to indicate that these are glaring misstatements. Grass conditions, lack of water, and inabililty to move live stock to pastures on foot or train threaten more serious obstacles than any decrease in actual numbers from the disease.

CATTLE IN THE CORN BELT

BY JAMES E. POOLE

BEEF CATTLE, evicted from the Corn Belt as a commercial breeding proposition when free grass west of the Missouri River became available for beef-making purposes, may be staging a "come-back." Experimental work in that sphere of production is unostentatiously progressing in Illinois and Indiana, despite the furore over dairy cattle. While the average Corn Belt feeder will doubtless dispute assertion that it is possible to keep a beef cow all the year round for the calf it raises, while western calves and yearlings are available at current prices, the fact remains that it is being done on a limited scale in Illinois, Iowa, Wisconsin, and Indiana. Most of these native cattle go to the butcher at the yearling stage, weighing 750 to 1,000 pounds. The latest wrinkle is having calves come in the fall, to run with their mothers all winter, weaning them in the spring to finish on dry feed, going to market weighing around 700 pounds, fat as butter-balls. This method creates a short route to market, insures maximum prices, which is synonymous with maximum profits, reduces hazard to a minimum, and avoids carrying two sets of cattle through the summer period.

Profitable as dairying has been and is, a danger-signal has been hoisted. Prices of butterfat are going down, stocks in storage are increasing, and, while the overproduction stage has not been reached, that condition is possible. Dairy cows are realizing stiff, if not dangerous, prices, while beef cows are selling far below intrinsic value, prompting investment. A considerable number of good Hereford and Shorthorn cows left the markets last fall for breeding purposes, and more will be acquired this season. The calves they raise never figure in the visible beef supply at the stocker stage, constituting an addition to beef tonnage that must be taken into the reckoning during the ensuing half-decade.

That beef production is in an evolutionary stage will not be disputed, as various manifestations of change may be detected. A "cattle business" cannot, in the nature of things, exist east of the Missouri River, if it is possible in the West. Beef-making in that area will be part of farming operations. This is illustrated by the reply a Wisconsin man made when asked if a drove of 900-pound yearlings grown on his farm had been profitable. "I cannot assert that these cattle actually made money, but the farm was profitable—and that's what I figure on," he replied. If a "cattle business" were possible, capital, always on the alert for opportunity, would be in the game on an extensive scale; but capital is wise, knowing that the thing cannot be done.

On an Indiana farm recently the writer saw a string of

yearlings—calves of 1923 that will weigh 800 pounds by July. They are practically pure-breds, but have never been pampered. Their ration since weaning time has been corn, soy beans, and alfalfa hay; the beans, which are home-grown, avoiding expenditure for cottonseed meal. The calf crop was 93 per cent, and every calf has been matured. The policy of the breeder is to use his cows to consume roughage—an inexpensive ration—feeding most of the grain produced on the farm to calves. This farm was badly run down when acquired, but by this system its crop-growing capacity has been doubled.

Soy beans are displacing oats and wheat in the rotation. This crop furnishes a combination of roughage and concentrates—valuable for both cattle- and hog-feeding. It is a nitrogen fixture, and in that respect superior to clover, which winter-kills and is hard to "catch." Oats, under present conditions, cannot be profitable, and wheat is not only a precarious crop, but does not return cost even with yields double and treble possibilities in the Northwest.

Stimulus has been given beef-cattle breeding in the Corn Belt by increasing difficulty in buying desirable stock cattle. Another factor is necessity for recuperating corn-sick land; another, reduction of overhead charges; and still another, scarcity, unreliability, and excessive cost of labor. Profits of dairying look large on paper, but expense must be reckoned with. It is the old story of difference between net and gross profit.

"I am satisfied that growing beef calves in the Corn Belt is profitable, provided the effort is carried on intelligently," said John Hubly, of Illinois, who two years ago acquired and moved the Harrison herd of pure-bred Angus from Colorado to his farm near Springfield. "I did not begin calf-raising to get into the cattle business, but for the purpose of restoring my corn land. There is no doubt in my mind, however, that even on our higher-priced lands the operation is ecomonically possible. It requires pure-bred, or high-grade, cattle, and care in the maximum degree, one of the secrets of success being maximum calf crops."

No beef-cattle furore is probable, unless the western source of stock-cattle supply should suddenly dry up, which is unlikely; but foresighted men are taking time by the forelock, and more farm breeding herds are being established than trade statisticians are aware of.

THE UTAH CONVENTION

THE SIXTH ANNUAL CONVENTION of the Utah Cattle and Horse Growers' Association was held in Salt Lake City on April 2 and 3, with delegates present from fourteen counties of the state. The report of Secretary Thomas Redmond showed the encouraging fact that the membership had nearly doubled during the past two years, and that the association was in sound financial condition. President J. M. Macfarlane reviewed the accomplishments of the organization in 1923 and the present live-stock situation, laying particular stress on the necessity for better marketing methods and the breeding of better cattle. An interesting talk on co-operative marketing was delivered by Benjamin Brown, president of the Utah Poultry Association, and Professor John T. Caine III gave his views on the live-stock industry in general.

The afternoon session of the first day was devoted to the subject of national forests. Addresses by officials of the Forest Service on range appraisal, the proposed new grazing fees, and the various phases of the administration were followed by an open discussion, in which many of the stockmen took part. The day closed with an enjoyable banquet, at which a representative of the governor of California gave a vivid description of the prompt and drastic means adopted by his state in fighting the outbreak of foot-and-mouth disease.

On the second day Dr. Mead started the proceedings by explaining how the Salt Lake Commercial Club was co-operating with the live-stock men in numerous ways. A. M. McOmie told of the marketing association in Millard County which he had organized and helped make a success. A. A. Hinckley, commissioner of agriculture, briefly outlined what the State Board of Agriculture is doing for the stockmen. The new marketing plan introduced by the California Cattlemen's Association was presented by the president of that organization, Hubbard Russell, in an elaborate talk illustrated with charts and maps.

In the afternoon the various committees submitted their reports. The election of officers resulted in the continuation, by acclamation, of the entire list of the past year. Following is a summary of the resolutions adopted:

Opposing any advance in grazing fees on national forests, but expressing a willingness to co-operate with forest officers in equalizing fees between different forests;

Approving steps taken by state officials for preventing introduction of foot-and-mouth disease into Utah;

Favoring reduction in brand-inspection fees, and urging action to prevent illegal killing and selling of beef;

Indorsing marketing plan of California Cattlemen's Association and recommending its adoption by stock-growers of Utah;

Requesting that all railroads grant return transportation to shippers taking one car of stock to market;

Demanding repeal of section 15-a of Esch-Cummins Act;

Advocating a reduction in assessed valuation of grazing lands.

CATTLE- AND SHEEPMEN OF MONTANA MEET TOGETHER

A LARGE ATTENDANCE, keen interest, and strong faith in the future of the live-stock industry of the Northwest marked the joint convention of the Montana Stock Growers' Association and the Montana Wool Growers' Association, held in Dillon on April 24 and 25. On account of the foot-and-mouth disease situation in California, the stock show and auction sale, scheduled for the same dates, had been called off.

Opening the session, Acting President Simpson declared that the live-stock business, after five years of unprecedented hardships, was now "coming back." He strongly urged the necessity for raising better beef, and advised stockmen to distribute their market shipments over the first four days of the week, instead of flooding the railroads and stock-yards on Monday. Hearty thanks, he said, were due the bankers of Montana for their loyalty to the industry during the trying times of the past. The annual report on the finances and membership of the association was delivered by Acting Secretary Phillips. Professor J. T. Caine III, of the Utah Agricultural College, spoke on modern marketing systems, suggesting that the mountain states get together on a plan for holding back and putting on feed part of their cattle in the early fall.

A message was read from James E. Poole, of Chicago, market editor of THE PRODUCER, in which an impending shortage of beef cattle was forecast and the prediction made that the West will be called upon to replenish the vanishing supplies of the Corn Belt states. The position of the wool-growers, Mr. Poole held, seems assured for the next decade. W. C. White, of Armour & Co., St. Paul, declared that he saw nothing on the horizon which did not indicate better times for the stockmen of Montana. Matt Staff, president of the National Wool Warehouse and Storage Company of Chicago, spoke optimistically of the prospect of the wool market. Grazing fees were discussed by Fred Morrell, district forester.

A forceful address on current live-stock problems was delivered by Frank J. Hagenbarth, president of the National Wool Growers' Association, who sharply criticised the 300 per

cent increase in grazing rates, advocated the marketing of younger beef, and upheld the present tariff policy. Dr. A. K. Fisher, of the Biological Survey, told of the campaign against predatory animals.

The following resolutions were unanimously adopted:

Demanding for Northwest same consideration in writing of tariffs as given other sections of country;

Requesting flat tariff rate of two cents a pound on Canadian cattle sent into United States for slaughter within thirty days of arrival;

Favoring adoption of broad and liberal policy of international relationship by United States;

Asking repeal of section 15-a ("guarantee clause") of Transportation Act and restoration to states of power over intrastate rates;

Protesting against increase of grazing fees on national forests, and approving bill introduced by Senator Borah for limiting fees to double amount of moneys expended in administering such forests;

Commending Bureau of Animal Industry for splendid efforts put forth in combating foot-and-mouth disease in California;

Advising that co-operative plan of destroying predatory animals be continued and scope of work extended;

Requesting reduction of rentals on low-grade grazing lands, and lowering of assessment on all grazing lands by 50 per cent;

Denouncing proposed increase of railroad charges for cleaning and disinfecting stock-cars;

Demanding that pure-bred live stock be not assessed at a higher rate than ordinary stock;

Requesting railroads to handle live stock at feeding and unloading points with more care;

Asking railroads to adjust rates on local shipments over two or more roads to amount of one rate for same distance;

Appreciating service of railroads during past two years;

Opposing initiation of state income-tax law;

Urging still further economies in state government.

C. M. Simpson, of Miles City, who has been acting president since the death of John H. Burke, was elected president by acclamation. Roy F. Cleary, of Great Falls, was elected first vice-president; E. O. Selfway, of Dillon, second vice-president; and E. A. Phillips, of Helena, secretary. Great Falls was chosen as the meeting place in 1925.

PRODUCERS WIN KANSAS CITY FIGHT

UNDER THE AUTHORITY vested in him by the Packers and Stock-Yards Act, Secretary Wallace has issued an order against fifty-six commission firms and thirty firms of traders operating on the Kansas City live-stock market, bidding them to "cease and desist" from discriminating against the Producers' Commission Association. The order further requires the Kansas City Live Stock Exchange to extend the privileges of its clearing-house, as well as the benefits of "blanket insurance," to the Producers' Association. The question of hog-dockage services was reserved by the secretary for further consideration, and the case was retained on the docket for such action as may be necessary with respect to trading relations of firms not specifically mentioned.

Unless the case is appealed by the two exchanges involved, this ends a controversy initiated last September, when the boycott against the Producers' Commission Association on the Kansas City yards became effective. Complaint was filed with the Packers and Stock-Yards Administration, and the Secretary of Agriculture issued notice of investigation. Extensive hearings were held during October, November, and December. Originally two other co-operative organizations—the Farmers' Union Commission and the United Live Stock Shippers' Association—had joined in the action. Of these, however, the Live Stock Shippers subsequently withdrew, while the Farmers' Union entered into a separate arrangement terminating the controversy as far as it was concerned. The decision thus is a clear-cut victory for the Producers.

DEER ON THE KAIBAB FOREST

SINCE THE CREATION of the Grand Canyon National Game Preserve in northern Arizona in 1906, the deer ranging through that region have greatly multiplied, until it is estimated that the herd today numbers some twenty thousand individuals, against the original five or six thousand. In 1919 a portion of the preserve was included in the Grand Canyon National Park, passing under the jurisdiction of the Department of the Interior. This area contains about one-third of the deer. The remaining two-thirds graze normally on what is now the Kaibab National Forest, administered by the Department of Agriculture.

The rapid increase has had the effect of greatly deteriorating the natural growth of forage. Successive reductions have brought the number of domestic live stock grazed on the forest down about two-thirds, and it is thought that further reductions may be possible. Yet it is felt that the future food supply of the deer herd is seriously endangered, and that sudden disaster may result from continuing the present policy of absolute protection. It is the unanimous judgment of the officials of the Forest Service that a system of regulated hunting should be substituted, in order to check the natural increase to the extent of, say, two thousand adult males annually.

While such a change of policy has found favor in many quarters, it has been strenuously opposed in others. To get the fullest possible amount of advice before acting, the Secretary of Agriculture has asked a number of large sportsmen's and other national organizations to appoint representatives on a committee which this summer—presumably late in August or early in September—is to study the problem on the spot, under the guidance of Forest officers. On this committee will be a representative of the American National Live Stock Association.

WORLD'S WOOL PRODUCTION

WORLD PRODUCTION OF WOOL in 1923 and 1922, and the average for the five pre-war years 1909 to 1913, have been computed as below by the Department of Commerce, by grand divisions (in pounds):

Grand Divisions	1923	1922	1909-13
United States	266,110,000	264,560,000	314,110,000
Other North America	16,319,000	19,315,000	18,210,000
Central America and West Indies	750,000	750,000	1,000,000
Argentina	270,000,000	265,000,000	358,688,000
Other South America	173,023,000	156,860,000	228,662,000
Total America	726,202,000	706,485,000	920,670,000
Europe	696,124,000	669,559,000	873,532,000
Africa	274,265,000	246,095,000	219,694,000
Asia	250,320,000	239,466,000	273,146,000
Australasia	670,000,000	794,323,000	903,620,000
Other areas	15,000,000	15,000,000	13,000,000
Grand totals	2,604,911,000	2,670,928,000	3,203,662,000

THE CALENDAR

May 22-24, 1924—National Conference on Outdoor Recreation, Washington, D. C.

June 3-4, 1924—Annual Convention of Wyoming Stock Growers' Association, Wheatland, Wyo.

June 3-4, 1924—Annual Convention of Cattle and Horse Raisers' Association of Oregon, Baker, Ore.

June 5-7, 1924—Annual Convention of Nebraska Stock Growers' Association, North Platte, Neb.

June 9-11, 1924—Annual Convention of Western South Dakota Stock Growers' Association, Rapid City, S. D.

July 7-12, 1924—Exhibition and Stampede, Calgary, Alberta, Canada.

November 29-December 6, 1924—International Live Stock Exposition, Chicago, Ill.

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GENERAL BUSINESS CONDITIONS

DURING APRIL there were further evidences of a retrograde movement in business. Wholesale trade and industries tend to contract rather than expand. Decreased demands have forced adjustments of output in major lines, and nothing suggests an early change from present conditions. Cotton and cotton goods, wool and hides, pig iron, and steel and lumber are among the commodities that have eased further in price, and in many cases the markets are lower than they were a year ago—the conspicuous exception being cotton. All grains are lower than in April, 1923. The price of packer No. 1 native hides is 7 cents per pound less than a year ago, and approximately 9 cents under the pre-war level. Among the leading industries the poorest report comes from the coal, and particularly the bituminous, mining area, where thousands are unemployed. Production of coal has fallen to the lowest point since 1921. Iron and steel are very dull, and steel-mill output has dropped at nearly all centers.

Cotton-mill operations are still under the check-rein of cautious buying. The furniture trade notes reduced operations at many points. Automobile construction is not so keen. Wool and shoe manufacturing is below normal. Car-loadings are less than in April of last year. Building is active at many points, but below a year ago at others.

Prices for railroad and industrial stocks were decidedly irregular during April, with no general or sustained tendency either up or down. Liberty bonds are stronger; other bonds, steady. Foreign exchange is higher, and money easy.

Bradstreet's index number, based on wholesale prices per pound of thirty-one articles used for food, for the week ending April 26 was $3.17, compared with $3.16 for the previous week and $3.32 for the week ending April 26, 1923.

REDUCING RAILWAY EXPENDITURES

AGAINST the almost universal demand for lower freight rates, the railroads point to their balance-sheets, showing net earnings for the past four years ranging from 37-100 of 1 per cent in 1920 to about 5 per cent in 1923. No one, of course, will call this excessive. In fact, it is commonly recognized that the roads need large additional funds for improvements and extensions—funds which cannot be had through the selling of more stock, as present returns are not attractive to investors, nor through the further issuing of bonds, which has its natural limits. A healthy market for railroad securities, we are told, can be created only by assurance that Congress for the next few years will do nothing to reduce the earning capacity of the roads nor in other ways unduly to hamper their operation.

How, then, can relief be obtained from rates that are burdensome unto strangulation, especially for shippers of live stock and other agricultural products, without crippling the carriers, to the detriment of everybody? Obviously, there is only one way: by whittling down expenses. It is a prevailing impression that the roads are largely overmanned—that five men are employed to do what four could accomplish in the same time and with as great, if not indeed with greater, efficiency. This applies both to operating crews and to office forces. Writing on this phase of the transportation problem, Roger W. Babson, the noted statistician, said the other day:

> Every time I travel on the trains I am surprised at the surplus of unnecessary railroad employees. Efficiency engineers tell me that the roads could be run just as well with 20 per cent less help. Few railroad officials will deny this statement. The difficulty is that the Interstate Commerce Commission, Congress, state legislatures, and labor unions have unconsciously combined to compel the railroads to employ this surplus.
>
> Not only are the roads employing many more men than they need, but this very fact hurts the morale of the entire body of men and reduces efficiency all around. When men know that their jobs are protected by legislation, and—even though they have no real work to do—that they cannot be discharged, then efficiency is at an end.

Mr. Babson disclaims any desire to see wages of railroad men lowered. Such wages, he says, with a few exceptions, are not too high. But he strongly urges revision by the Interstate Commerce Commission of its rulings, so as to allow the roads to operate at lower expense by discharging superfluous employees, to the benefit, not only of shippers and the public generally, but of the roads themselves. This adjustment, he holds, should be made now while the discharged surplus can find employment in other

industries and while car-loadings are heavy enough to supply a larger volume of business at lower rates—a condition that will not prevail indefinitely.

INCREASED CHARGES FOR DISINFECTING STOCK-CARS

AN INCREASE in the charge made for cleaning and disinfecting stock-cars used for transporting diseased or exposed animals is sought by the carriers—presumably in connection with the outbreak of foot-and-mouth disease in California. The charge is now $2.50 for single-deck and $4 for double-deck cars. It is proposed to advance it to $3.50 and $5, respectively.

This increase should be vigorously opposed. The old principle of one through rate from point of loading to point of delivery, including all necessary services, should be adhered to, as argued in the "Petition to Reduce Live-Stock Rates in the Western District" (Docket No. 15686), recently filed with the Interstate Commerce Commission by the American National Live Stock Association and other live-stock organizations. Such rates are furnished by the carriers to shippers of all other commodities. Live-stock men, struggling under a grievously heavy load, cannot now be saddled with any further burdens—burdens, moreover, that partake of the nature of rank discrimination. Half a dozen extras, subject to independent readjustment from time to time, would be a ruinous addition to freight charges already much too high.

BALANCE OF INTERNATIONAL PAYMENTS

TO THE CASUAL OBSERVER of international trade currents, as indicated by exports and imports of merchandise, the question sometimes presents itself how a country which year after year buys abroad goods to an amount far in excess of what it sells, manages to keep on an even financial keel. By what mysterious process, he asks himself, does such a country contrive to escape the gradual impoverishment of its people and ultimate national bankruptcy?

The answer to this pertinent question is found in the fact that, important as is the foreign trade balance in the accounts of a nation, it is by no means the only item. Numerous other factors, varying in character and significance from country to country, enter into the equation. For instance, there is the matter of shipping. Such countries as Great Britain and Norway, with perennial deficits in their commodity exchanges, have valuable sources of national income in their merchant fleets, carrying goods for foreign account between all the ports of the world. Others, like Switzerland, liquidate the greater part of their annual trade debt by the enormous sums derived from their tourist business. Then again a country may be so favorably situated, its natural resources so great, its form of government and its institutions so solidly rooted, its currency so stable, as to inspire the confidence that attracts foreign capital on a large scale. Since the war the United States has been playing the role of international banker, getting the use of the world's surplus wealth, and in turn lending money to foreign governments and financing foreign enterprises.

Amounts of the various items in what is called the "invisible exchange" of this country in 1923 are set forth in a recent survey by the Department of Commerce. From this it appears that, in addition to our credit balance of $389,000,000 on the movement of merchandise, we received last year from interest on money owed us by foreigners, from payments for the use of our vessels abroad, and from expenditures by visitors in the United States the sum of $792,000,000; making a total of $1,181,000,000. On the other hand, we paid out through our tourists in other lands, through our use of foreign shipping, through remittances of immigrants to their relatives at home, and through other services an aggregate of $1,162,000,000. Thus the final balance in our favor was only $19,000,000. Which is about as it should be.

It is these currents that keep the channels of international intercourse fresh and clear. But for them, the wealth of the world would constantly tend to gravitate toward certain points, making some peoples ever poorer and others richer. To the even-handed fairness of nature in bestowing on most nations something of which others stand in need, man adds his ingenuity in turning their potential advantages to account. A country yet in its swaddling-clothes, or beaten down by war's distress, may temporarily be forced into the position of international beggar, taking much and giving little, to the complete undoing of its exchange; but it will have to exert itself to gain a degree of equilibrium, or eventually cease to exist as an independent economic unit. On the other hand, a country possessing within its borders everything necessary for the existence and contentment of its people may in times of stress find security and comfort in its self-containment; but with the peace that should be the normal state it will be in danger of stagnation and deterioration—first of its economic life, later of the spirit that initiates in the realms of culture. It was no accident that the greatest epochs in the civilization of the ancient world coincided with the periods of highest development of its external trade. Let us be thankful that conditions in the United States compel us to keep our commercial arteries wholesome and unclogged through the stimulus of international give-and-take—even if we have to transport the greater part of our surplus products in foreign bottoms!

THE STOCKMEN'S EXCHANGE

ARE THE BIG PACKERS BEARS?

CHICAGO, ILL., April 28, 1924.

TO THE PRODUCER:

In the April PRODUCER Charlie Collins asks for some representative of the big packers to defend "their perpetually bearish attitude" on the hog market. Before undertaking any explanation, it may be well to point out that whether one calls the big packer a "chronic bear" or a careful buyer depends on the point of view, with reference to production, the market, and consumption.

It is obvious that the packers should always buy as cheaply as possible, the same as any other buyer. If anyone interprets the big packers' "high morals" and "fidelity to the interests of the producers" as meaning that any single buyer will pay more individually than he thinks hogs are worth, he is simply deluding himself.

The situation on which Mr. Collins comments is that in which the big packers have bid below the local killers and shippers on a given day. The explanation is simple, since the big packers do not buy for the same market that local killers and shippers do, but instead on a national basis. Local killers and shippers buy for immediate slaughter and turn-over, and base their operations and prices almost entirely on the local market for *fresh* pork. In other words, what they can afford to pay is determined by the price of loins, green hams, green bellies, etc.

The big packers, on the other hand, must consider far more than these. Their biggest sale of pork and pork products takes place in August, September, and October, when runs of hogs are lightest and when the local killer and shipper is entirely out of the market. Perhaps the reasons are obvious; but, in so far as I know, no producer or his representative has ever criticised the local killer and shipper for staying out of the market from May to November. On the other hand, if the big packer stays out one day only in the winter, it is commented on most freely.

Since the big packer supplies the consumer in the months enumerated, he has to take into consideration the cost of carrying over to this period. He has to estimate the volume of runs which will be in competition with his surplus in storage when the time arrives to market it; he has to use considerable judgment as to the industrial conditions which will then be prevalent, since they affect the buying power of the public so decisively; and he has to consider the prospects of export demand, since the export trade is usually at its height at this period, and small fluctuations in volume can exercise tremendous influences on the price level. If, under present conditions, anyone can determine what runs and domestic and foreign demand will be, he is possessed of an insight denied to most human beings. It is, therefore, obvious that the elements determining what the big packer can pay are of a far more indefinite and speculative nature than those of the local killer and shipper.

If the operator killing for the immediate market feels that he can pay more for hogs than the big packer, the situation is not only logical, but does not require the epithet of "chronic bearishness" at all. The nature of the business of these two classes of slaughterers is so different that the buying methods of each are perfectly warranted.

Mr. Collins implies that the best interests of the producer are high prices. This sounds good when prices are low; but, as a matter of fact, the price level that is of greatest importance to the producer is the one which will stimulate a production most nearly adjusted to normal consumption. Stability in prices is what is needed, and it is no more to the best interest of the producer temporarily to push prices to peaks above the price level than it is temporarily to push them far below this level. Of course, individual producers may gain or lose decidedly, if they happen to be on the market when these high or low days do occur; but the swine industry as a whole always loses by it, since temporarily high prices stimulate production unwarrantedly, and temporarily low prices depress it unjustifiably.

Hog prices are low because in 1923 we produced 22 per cent more pork by weight and 23 per cent more lard than at any previous time. The only way in which this surplus could be forced into consumption was by pricing it at a level that would stimulate the consumer to take it off the market. As a matter of fact, due to good merchandising, the total return for the 1923 crop was some 3 per cent above that of 1922—the previous record-production year. Certainly this result does not reflect "chronic bearishness," since there was no important reason why the total money which the consumer would be willing to spend for pork was greater than in the year previous.

EDWARD N. WENTWORTH,
Director, Armour's Live Stock Bureau.

BIG PACKERS NOT CHRONIC BEARS

CHICAGO, ILL., April 23, 1924.

TO THE PRODUCER:

The April issue of THE PRODUCER has a letter from Charles E. Collins, printed under the title, "Why Are the Big Packers Chronic Bears?" and saying that he would like to hear from some packer on the subject.

We are glad to suggest to Mr. Collins that, if he will look at this matter from all sides, we think it will be clear to him that the packers are not chronic bears. It is true that they hold off sometimes when the price of live stock is such that it will net them certain loss, but it is also true that they just as frequently bid the price up, when they think the prices of meat and by-products will justify. The price is a purely competitive price, and on the whole the price of live stock keeps remarkably well in line with the prices of meats and by-products. In fact, it is well known that the packers bid on such close margins that their profit averages only one-eighth to one-quarter of a cent per pound, live weight.

If the packer is to be looked on as a chronic bear, how can it be explained that he has been buying hogs at prices which

have cut out at a loss during the past two months? It is common knowledge in the trade that this has been the case. It has also been common knowledge that there have been losses on beef operations during many recent weeks. The explanation of these phenomena is that many packers have been too optimistic about the prices they will be able to get for the cured and dressed products, and that competition has kept the price up.

Mr. Collins may be interested in the fact that Swift & Co.'s profit per head of cattle in 1923 averaged $1.10, including the return from by-products. This means that, if retailers had paid Swift & Co. a quarter of a cent less per pound of beef on the average, our profit on cattle operations would have been wiped out. We are sure that most cattlemen do not begrudge us this small profit.

SWIFT & CO.,
Per L. D. H. WELD,
Manager, Commercial Research Department.

MISPLACED CREDIT AND THE COLLAPSE OF THE CATTLE BUSINESS

MAGDALENA, N. M., April 15, 1924.

TO THE PRODUCER:

In summing up conditions as they present themselves today, it strikes me that everything about the business is wrong. To start the business on the toboggan, the sudden drop in prices after the war looked like a disaster, and, in many cases, was just that—especially for those who were too heavily loaded with borrowed money. Then, following that, in many cases banks that were carrying cattle paper put into effect a "penny-wise and pound-foolish" policy of forcing liquidation on the conservative cowman who had kept his finances in such shape that, with reasonable extension of time on his loans, he could pay up 100 per cent. From the bankers' standpoint this no doubt seemed the best thing to do; but, looking into the future, it was not good business, in that it forced to the wall the men who would finally have saved themselves and the industry, and to a great extent the bankers who were backing it. In New Mexico especially, had the banks carrying cattle paper been foresighted enough to realize that the conservative cowman was their own salvation in the end, and had gone ahead and furnished him money to keep his business going, at the same time closing out the reckless and unsafe ones, and taking whatever loss it involved, I venture to say that all the banks carrying cattle paper would have been much better off today, and several that have had to close their doors would have been still open.

Many banks were loath to face the inevitable fact that they would have to stand a part of the cowman's loss, and kept up the policy of forcing the man who *could* pay to do so, advancing money to the hopeless ones until, instead of having to stand a 10 to 25 per cent loss, in many cases they had to stand a 100 per cent loss; whereas, if they had closed out these reckless ones at the outset, they would, in many cases, have sustained only a nominal loss. During this same time I have personal knowledge of cases where a cowman who was perfectly sound, and whose assets were far above his liabilities even at the low values on cattle, could not borrow money to pay his running expenses even for a short period, while his neighbor, who by his own confession could not possibly pay out at fifty cents on the dollar, could get money for the same expenses with very little trouble. If the banks, at the beginning of the slump, had selected a good, practical man, with a wide acquaintance, to go over their cattle paper with them, pointing out the unsafe ones, and had closed out these people even at a loss to the bank, and had then protected the solid ones, the whole situation would have presented a better front today.

Some bankers have accused the cattlemen (and in many cases justly) of reckless extravagance; but in these same cases it was equally true that the banks were reckless in furnishing too much money to these men when money seemed easy, and that they must share the blame has been brought home to the bankers quite convincingly. During these times of easy money many banks were insistent upon lending money on cattle. A cowman did not have to ask for a loan; his banker volunteered to lend him money, and urged the installation of all sorts of necessary and unnecessary range improvements.

These things are now for the most part in the past, and will no doubt serve as a very practical and useful lesson in our transactions in the future. They should tend to bring a closer co-operation and a better understanding between the cowman and his banker—a condition very much to be desired.

I now come to a phase of the cattle situation which has puzzled a great many men, and one that (along with some other problems) has not been satisfactorily explained: that of the lack of financial assistance to the breeding herds. No banker will finance a man to go into the breeding business, and few will finance one who is already in; but, on the other hand, most banks that are in a position to furnish money at all will finance the purchase of steers. This, of course, is brought about by market conditions, and for the present may be sound business policy on the part of the bankers, as well as on the part of the buyers of the cattle. But what of the future? Even a cowman will not remain indefinitely in a business that is operating at a loss, as the breeding business has been for the last four or five years. A long-continued policy of backing the steer as against the cow that produces him is simply dynamiting the foundation of the industry. I am not pessimistic enough to believe that this condition will continue indefinitely, and the point I would bring out is that, with a view to the future of the business, the foundation (the breeding cow) must not be forgotten and must be financed, in order that the beef supply shall not be cut off. It is to be hoped that the powers that be will see which way the wind blows, and put the proper machinery in motion to adjust this condition before another catastrophe befalls an industry that is already tottering on the brink of an abyss.

In this connection, it is my belief that the cattleman himself can and should shoulder his part of the job of stabilizing the business from which he obtains his livelihood. We have an organization of cattlemen, national in scope, with the very best brains of the industry at the helm, in the American National Live Stock Association. Every man in the United States who is interested in the cattle business, whether he owns one cow or ten thousand, should assist this organization to the utmost in its efforts to bring about better conditions for the industry—first, by becoming a member of the association; second, by attending every convention when possible; third, by subscribing to THE PRODUCER and using it as a medium by which he may express his opinions, and thereby give the officers of the association the benefit of any worthy suggestions he may have to offer; fourth, by rendering it financial assistance.

The activity and usefulness of the American National Live Stock Association are reflected in the packer investigations and the Packers and Stock-Yards Act, which brought about supervision of markets and stock-yards under the Department of Agriculture. The association, its officers and members, have gone into every phase of the business, and they are consistently working toward bringing about normal conditions for the industry. It has fought for reduction of freight rates, for adjustment of commission charges, for a just fee for grazing on the national forests, for the control and destruction of predatory animals, for the eradication of poisonous plants, and, during the last few years, has been very active in an effort to secure better financing for the cattle business.

L. V. MEDLEY.

McNARY-HAUGEN BILL FUNDAMENTALLY SOUND

KNIGHT, WYO., April 27, 1924.

TO THE PRODUCER:

It would be well for everyone who believes that the McNary-Haugen bill presents a fair chance for raising the prices of agricultural products to let his voice be heard on the subject as soon as possible, as its enemies are a powerful crew and are doing everything in their power to defeat it. To read the catalogue of its foes materially strengthens my faith in the measure. As one reads between the lines of their arguments, it appears that they are not so much afraid that the economic principles behind the bill are wrong as that those principles are far too sound, and that to give them even a five-year test will prove this to the farmers of the nation.

It is the checks and balances in the law of gravitation, coupled with bumps on various parts of its anatomy, that teach a baby to walk. It is the checks and balances embodied in the Constitution of the United States that make it a practical, workable proposition. To fix an attractive price at which our government must buy all the wheat or live stock that the nation produces is fundamentally unsound, and must lead to overproduction and a final forcing-down of the price even below the present level; but fixing a price, as outlined in this bill, which shall be relatively in line with operating costs, and with the penalty attached that if the farmer produces more than our home market can consume it will have to be sold in foreign ports and the loss pro-rated back to him, provides a check that in a comparatively short space of time should prove that to produce more than our nation can consume means—with the exception of two or three commodities—to produce at a loss. If the McNary-Haugen bill were to do nothing else than drive home and clinch this one fact, it would be worth all it costs.

Slowly the thought begins to permeate the mind of the producer of so-called "raw materials" that it is the exportable surplus of any crop that governs the price in our domestic market; that, while a closely controlled commodity can take advantage of a tariff and have two prices, one for domestic and the other for foreign trade, a vast, unorganized mass like agriculture is helpless in itself to do this, and must simply accept the hazard of world markets. As the writer sees it, the main thought of the bill under discussion is to furnish this control. While we all realize that a measure which has a chance to accomplish this task is necessarily accompanied with difficulties of administration, nevertheless many of us keenly feel that it is well worth the trial, and sincerely hope that our representatives in Congress may not be so enchanted with the siren voices of the stock-yards and the wheat-pit that they fail to pass this measure, and thereby at least make a good, square effort to wrest our agricultural ship from the rocks.

CHARLES A. MYERS.

BRAHMA CATTLE

BRACKETTVILLE, TEX., April 12, 1924.

TO THE PRODUCER:

THE PRODUCER some time ago contained an article by James E. Poole which, I think, was not quite fair to Brahma cattle as beef animals. Mr. Poole said:

"Brahma blood has been as conspicuously in evidence in cattle from the Southwest as the dairy infusion in the delegation from the Northwest. Such beef production is obviously uneconomical. Manufacturers who do not adjust their processes to changing demand invariably go out of business."

What was meant, I presume, was that there were a lot of ordinary cattle with an infusion of Brahma blood being offered on northern markets. But for such infusion, I dare say these cattle would have been in the scrub class.

There is no one best breed of cattle in the United States—the country is too extensive for that. Certain areas and certain conditions seem to require a certain type of cattle. Even on this point there is much argument. Men who raise or mature cattle in many sections of the West and Southwest where they are subjected to dry weather and the resulting conditions, or who raise cattle in the "long-grass," wet-weather areas where flies, mosquitoes, etc., are plentiful, learn to know the advantages and disadvantages of the various breeds.

Range cattlemen admit the advantages of the Brahma cross-bred steer, especially in parts of the United States where at times the country presents hardships for the cattle. The Brahma sire has improved the quality of the natural increase in many sections where less hardy breeds would not exist.

Advocates of infusion of Brahma blood into the native range product ask why the cross-bred Brahma steer will not do well under easy living conditions and in the feed-lot, since he thrives under hard range conditions. The answer is that he will. Below is quoted from a record of a test conducted at the Texas Agricultural and Mechanical College:

"Hereford yearlings were compared with a Brahma-Hereford cross. Both lots had identical treatment, the only difference being in the sire, which in one case was a pure-bred Hereford bull and in the other a three-fourths blood Brahma bull. The Brahma grades went into the feed-lot about 35 pounds heavier per head than did the Herefords. They consumed 30 pounds more concentrates, consisting of corn and cottonseed meal, per 100 pounds' gain, and 5 pounds less hulls, than did the Herefords. The Brahmas weighed out of the feed-lot 22 pounds per head heavier than the Herefords.

"At the end of the first ninety days of the test the Brahmas had consumed 358.75 pounds of concentrates and 515.15 pounds of hulls per 100 pounds' gain, while the Herefords had consumed 359.25 pounds of concentrates and 572.68 pounds of hulls. The Brahmas had made 2.983 pounds' daily gain and the Herefords 2.79 pounds'.

"While this is the first test of this sort, and the results are possibly subject to wide variation in subsequent tests, yet one notes apparent evidence that Brahma yearlings are more suitable for the shorter-term feeding than for longer time, and in this case were better than the Herefords at the end of ninety days, but that the Herefords were catching up rapidly during the last thirty days of the test."

What many of the range cattlemen who mature their steers on Texas or Kansas grass think of the cross-bred Brahma steer is well outlined in an article which appeared in the *Kansas City Daily Drovers' Telegram* in the form of an interview with a large cattle-feeder from southern Texas. From this we quote:

"Several years ago a few cattlemen of that region imported Brahma bulls into the ticky territory, largely because they were immune from the ticks. They crossed them with native cattle, and found that by doing so they could produce a good beef animal—one which would get fatter and do far better than any so-called native type of cattle. While I handle Herefords, and also some other breeds of our so-called native cattle, right along, I can truthfully say that when good Brahma bulls are crossed with high-grade Hereford cows in our part of the country, a type of beef animal is produced which will put on more fat on a good pasture, or more gain in weight if fed a grain or cake ration, than the best native steer of any breed we can raise. . . . The Brahma breed, when crossed, is the best type of beef animal for that climate. Flies do not disturb them, as they do our native cattle, and cattle ticks do not annoy them—two great advantages."

It is claimed by men who do not like Brahmas that they are mean cattle to handle. On the other side it is asserted that they are handled easily enough, provided men are employed who know cattle and who use judgment. It is agreed that they are a nervous breed. Once they become "spoiled," like other cattle they are difficult to herd. There is no doubt that the yardmen at the stock-yards come to have a personal grudge

against Brahmas, since these cattle, when excited by the strange sights and noises, put the men out of the alley and onto the fence.

Cattlemen claim that Brahmas, being nervous, ship badly and weigh out poorly at the stock-yards, because they worry themselves and often will not take a fill. Other Brahma advocates say that the horns should be tipped, and with a good run by the man managing the engine they go through all right. As to the fill, it is contended by some that it makes little difference. Packing-house buyers know about all there is to know concerning fills, kill-sheets, and dressing percentages, and they figure the weight the animal will dress out when making their bids.

One common fault of a great many northern cattlemen is that their ideas of the Brahma cross have been formed from seeing the cross-bred steer which has come from a sorry type of cow, the Brahma sires first being used in the worst tick-infested country where the native sows were scrubs. The increase naturally developed only into passable beef.

J. F. B.

APRIL SHOWERS PUT ARIZONA RANGE IN GOOD CONDITION

PHOENIX, ARIZ., April 23, 1924.

To THE PRODUCER:

The month of April has proved a benefactor to all stockmen in Arizona. Real spring rains set in the latter part of March, continuing throughout the early days of April and covering the entire state, with the result that feed and water on the ranges are the best that have been experienced in the past ten years. Cattle in many sections have already shed their winter coat of hair and are in slick condition at this time, with the higher elevations reporting that by the first of May their cattle will also be in good to fat condition for the spring trade.

Many cattlemen in the foothill regions are now contracting their aged steers, dry cows, and heifer calves to coast buyers for beef purposes. With the shortage reported in our neighboring state to the west, on account of the long winter drought and the ravages of the foot-and-mouth disease, stockmen in Arizona should be able to cash range beef in considerable numbers. The usual supply of stocker cattle will be available throughout the state, estimated at between 80,000 and 100,000 head, and consisting mostly of yearling steers and heifers.

Buyers from northern states are gradually learning of the excellent condition of Arizona cattle this season, and are taking advantage of supplying their wants by contracting at this time. More buyers are needed by the stockmen to take up the available supply, and if the spring movement of cattle is re-established, cattlemen throughout Arizona will at last feel that daylight is in the offing.

H. M. RICE,
Secretary, Arizona Cattle Growers' Association.

SCARCITY OF CATTLE IN ARIZONA

TUCSON, ARIZ., April 9, 1924.

To THE PRODUCER:

The weather man came to southern Arizona in just the right time. We had fine rains in November and December, but January and February were absolutely dry. Since March 18, however, we have had considerable moisture. Today one of the slow drizzles is falling that all soak in.

Lots of steers have been contracted to go north between May 20 and June 10, at 5 cents per pound, weighed at shipping points. These steers will bring about $25 for one's, $35 for two's, and $45 for three-year-olds. All will be fat and of good growth. The drought-stricken cattle have all been shipped out, and this year's contingent will be the best shipped from southern Arizona in a long time. Not over one-half the number gathered in former years will be available this year. Many outfits have vealed all, or a large part, of their calves for the past few seasons, which is bound to show in this spring's steer delivery.

The country is very short on all kinds of cattle, and in a very short time the cow business will be a repetition of the sheep business, with depleted stocks on all ranges, increased taxes, higher working expenses, and big investments in wire fences and leased land. How the cowman is going to come out is a question. If yearlings should bring $35, and the cowman has only a few to sell, it will not help him very much, as his exorbitant expense account runs on just the same. His outfit costs just about as much to run whether he sells 500 or 2,000 yearlings.

We have created so many government bureaus and voted so many bonds that it looks as if the tax-gatherer were going to get us. Everything we buy is higher than a cat's back, and what we sell is very low in comparison. What is the remedy?

W. M. MARTENY.

MONTANA HAS SEVERE SNOWSTORMS

MELVILLE, MONT., April 11, 1924.

To THE PRODUCER:

A few—very few—of the cattlemen are slowly getting back on their feet, but the majority are still in the comatose, semi-frozen condition in which they have been for the past three years. Some cattle are changing hands, but it is mostly cases of banks staking their customers, in an endeavor to help them raise a little money on their mortgaged land.

Up to the middle of March we had an extraordinarily mild winter, but since that time we have had a series of wet snowstorms which have set the cattle back considerably, are impairing the calf crop, and are working a great hardship on the sheepmen, who are lambing now. I do not expect to see much of a demand for southern steers in Montana, as the banks here are holding a lot of cattle, with which they can readily accommodate anyone doing any real buying, at much better prices than stock can be shipped in for.

W. H. DONALD.

WOOL SHORTAGE PREDICTED

PREDICTION that before the end of 1924 a serious wool shortage will have developed, and that American manufacturers will either have to shut down or pay 20 per cent over current market prices, is contained in an article in the *Journal of Commerce* of New York, based on the experiences of Alfred H. Benjamin, a noted wool authority now in Australia. Mr. Benjamin writes that a thorough examination has convinced him that the present Australian clip "is probably the worst in history," and that it is impossible for anyone not on the spot to realize the seriousness of the situation. The past season's lambing has largely been a failure, and a similar shortage in the next clip may be looked for, with a higher plane of values for at least two years to come. Another factor is that the Australian government has broken up the large stations, and that the smaller settler produces far less wool and of poorer quality. Japan has been Australia's principal customer this season, having bought nearly 75 per cent of the desirable wools.

"I consider THE PRODUCER one of the most valuable stock magazines in the United States."—J. H. LAWHON, Bowie, Ariz.

WHAT THE GOVERNMENT IS DOING

AGRICULTURAL INTERESTS AT WASHINGTON

SENATOR BORAH'S BILL (S. 3006), prescribing a basis for the payment of grazing fees on national forests and creating a Board of Grazing Appeals, of which we gave a summary in our April number, was introduced on April 4 and referred to the Committee on Agriculture and Forestry.

* * *

The House Committee on Agriculture, by a vote of 14 to 6, has reported favorably the McNary-Haugen bill which would create a $200,000,000 corporation, to be financed by the government, for the stabilization of prices on agricultural products by establishing the same ratio between these products and 400 basic commodities as existed before the war, and by selling the surplus in foreign markets. Several amendments changing its original provisions were contained in the bill as reported, the most important of which was the elimination of the scrip feature. Instead of the payment of scrip, a cash deduction from the "ratio price," sufficient to cover the estimated loss, is to be made from the price of products bought for export. Other amendments would make the "ratio price" flexible, instead of being fixed on a monthly basis, and would permit the adding of carrying charges.

At the same time, the Norris-Sinclair bill was rejected by the committee, 16 to 4, and the substitute for the McNary-Haugen bill introduced by Representative Voigt, of Wisconsin, confining the operation of the bill to wheat and corn, was voted down, 16 to 2.

* * *

In view of the defeat in Congress of the Norbeck-Burtness bill for a government fund of $50,000,000 to aid wheat-farmers in the Northwest to diversify their crops, President Coolidge has asked directors of the privately financed $10,000,000 Agricultural Credit Corporation to approve loans on an extensive scale, suggesting that advances from the War Finance Corporation may be had for that purpose. The corporation is planning to lend sufficient money direct to individual farmers to place 10,000 beef and dairy cattle on the farms by August 1. A million dollars has been set aside for this experiment.

* * *

A bill designed to promote the sale of farm products abroad through gathering and disseminating information which would help American farmers to adjust their planting in accordance with world needs, has been introduced by Representative Ketcham, of Michigan, and has been passed by the House.

* * *

In the House of Representatives, on April 24, during the debate on the agricultural appropriation bill, an amendment was offered by Mr. Rubey, of Missouri, and passed, cutting in two the requested appropriation of $452,540 for the administration of the Packers and Stock-Yards Act, making the amount $226,770. The following proviso was added:

"Provided, however, that the Secretary of Agriculture may make an estimate of the amount of funds necessary, in addition to the sum herein named, to enable him to carry into effect the provisions of the Packers and Stock-Yards Act, and thereupon he may levy, as uniformly and equitably as in his judgment is possible from time to time, against the stock-yard owners, market agencies, and dealers subject to said act, who shall promptly thereafter pay to the Secretary of Agriculture such fees as will be necessary to provide such additional funds. The secretary may require reasonable bonds from them to secure the performance of their obligations, and may, after a hearing, on not less than two days' notice, suspend any market agency or dealer for a reasonable specified time because of insolvency or violation of said act or any order of regulation thereunder."

* * *

A joint resolution (S. J. R. 107) was introduced in the Senate on March 24, by Mr. Smith, chairman of the Committee on Interstate Commerce, and on March 28 was reported favorably by that committee. The resolution declares agriculture "to be the basic industry of this ccountry," and directs the Interstate Commerce Commission, "with the least practicable delay, to effect such lawful changes in the rate structure of the country as will promote the freedom of movement by common carriers of the products of agriculture, including live stock, at the lowest possible rates." This resolution should be passed, and probably will be if united action is brought to bear on Congress by farmers and live-stock producers. It has the support of President Coolidge.

* * *

A resolution has been introduced by Senator Pittman, of Nevada, which would place a temporary embargo (until January 1, 1925) on the importation of meat, hides, hair, and bones from live stock in South and Central American and Asiatic countries while the possible source of the outbreak of foot-and-mouth disease in California is being investigated.

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The advance of the tariff on wheat from 30 to 42 cents a bushel, recently made by executive order, is to be tested in the courts.

* * *

The "Petition to Reduce Live-Stock Rates in the Western District" (Docket No. 15686), filed with the Interstate Commerce Commission by the American National Live Stock Association and numerous state live-stock organizations, has been assigned for hearing before Examiner Seal at Kansas City, the date to be announced later.

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A National Conference on Outdoor Recreation, to discuss the formulation of a program for the more active promotion of outdoor recreation by the federal government, has been called by President Coolidge at Washington on May 22-24.

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The new "National Forest Manual," containing the grazing rules and regulations which became effective in March, 1924, has been issued.

THE MARKETS

LIVE-STOCK MARKET IN APRIL

BY JAMES E. POOLE

CHICAGO, ILL., May 1, 1924.

BEEF-TRADE VAGARIES are notorious, but apparently inevitable. Witness the course of the cattle market during April. One moment it looked as though the public were clamorous for beef at the price of terrapin; the next, all the bloom faded away. At irregular intervals one of these miniature booms camps in the cattle market, whereupon bullish sentiment agitates the atmosphere, forecasters throw discretion to the winds, and gloom takes a back seat. Then something happens. It may be a strike, or a murrain, or a cataclysm—but it happens. You can sniff it in the air, unless you happen to be one of the irrepressible optimists endowed with the faculty of seeing a light in a room where there is no light. But let the cattle market advance $1 per cwt. or more, and it is a cinch bet that what is vernacularly known as a "logical reaction" is in the offing. What happened to a booming cattle market late in April is a chapter of trade history. Prices melted away to the extent of 75 cents to $1.25 per cwt. in the case of steers earning $10.50 to $12.60 per cwt. within a few days. Slaughtering concerns that had been greedy for high-priced cattle early in April admonished buyers to reduce cost on the hooks; whereupon they rode by pens full of bullocks recently eligible to bids at $11 to $12, in quest of something priced $2 per cwt. less; the result being that they "busted" the "good ones," but maintained prices on the "skates."

Cattle Market Bewildering

From time immemorial the cattle market has, apparently in obedience to the law of periodicity or recurrence, acted in the same obfuscating manner. Rarely does the program vary—at least there is ample precedent for whatever it does; and yet even the initiated guess wrong. When prime cattle go skyward, as happened on this occasion, killers endeavor to hold down top prices by paying out-of-line values for what the trade knows as "counterfeits," so that, when the inevitable turn of the road is reached, fictitious values of such bullocks crumble away. The April incident merely emphasizes the dangerous qualities of the heavy bullocks. Offer killers two loads, and they spend their money in the acquisition process in reckless manner. Add a third load, and a dollar promptly disappears from the price.

Wide Spread between Medium and Common Grades

Scarcity of heavy cattle was advertised by the April advance to a $12 and $12.60 basis. These bullocks pulled plain weighty stuff up in the wake of the boom. Killers meanwhile had no apparent use for the cheaper grades of light and medium-weight cattle, which were present in reasonable abundance, and at that moment were without stocker competition, the result being one of the widest spreads between medium and common steers ever known in trade history at that season. One day in April I met John Imboden, the noted Illinois feeder, on the Chicago market with a drove of nondescript, but beefy steers, for which he had to take $1 per cwt. less than last year and $5 per cwt. below the top price. Asked for a diagnosis, he said:

"It merely means that in the cattle business there is no rule to go by. The inexplicable feature was that, until feeders entered the market, killers had little use for fleshy, $8 to $9 steers; but the moment outside competition developed, a buying scramble for such stock ensued."

Consumers Protest against High Beef

As heavy cattle advanced to a $12 to $12.50 basis, the product went to $18 and $20 in the carcass. When the retailer had adjusted his terms, his customers balked, switching to cheaper grades; whereupon the market for $12 bullocks went stale, while life was injected into the $8 to $9.50 kinds. Instead of advancing to $13, top cattle dropped to $11.85 late in April, and the $10 to $11 kinds at that juncture showed an abrupt decline of $1 to $1.25 per cwt. Heavy steers at $11.50 toward the end of April would have sold readily at $12.25 ten days previously, the $8 to $9.25 kinds showing no change meanwhile, despite a generous run of Texas grassers at Fort Worth and elsewhere, which on this occasion failed to live up to their reputation as price-breakers.

Hides and By-Products at Low Level

Alibis are always in order. On this occasion the most credible explanation of the slump was lack of "credits." In other words, hides and by-product were worth little, putting beef under the necessity of carrying the entire load. Never before have No. 1 hides sold at the same price as good cattle, when it was possible to move them. Jewish holidays, a few thousand quarters of Argentine beef dumped into the New York market, appearance of unemployment at eastern industrial centers, and other excuses were trotted out; but the most plausible reason was that good beef reached a prohibitive price, as it was vended 100 per cent higher than fresh pork, prompting consumers to continue their winter's feast on that commodity.

Heavy Cattle Abnormally Scarce

Many people in the trade were never able to understand why top hogs should sell around $7.50 per cwt. when top cattle were worth $12.60. Perhaps the two species worked out of line; but when the boom was in progress, beef supply was cleaned up as fast as it could be chilled, while both fresh and cured hog product stuck in distributive channels. There was a logical reason for the advance in heavy cattle, as they were, and probably will be, abnormally scarce. For that matter, all cattle were scarce, the April run at the ten principal markets falling about 100,000 below that of the same month last year. Another reason for the miniature boom was paucity of cattle supply at eastern markets, forcing killers down that way to hike to Chicago to satisfy their needs. As prices went up, eastern feeders cut loose the residue of their winter production, thus accelerating the break.

Gamblers Are Losers

As usual, the gamblers got busy at the eleventh hour, with disastrous results to themselves. Many bullocks contracted for April delivery in the country, at prices ranging from $10.50 to $11.50 per cwt., did not realize first cost, not to speak of running expenses. But the uncertainty of the draw lends a peculiar fascination to this notoriously dangerous game; consequently the boys like to play it.

Feeders Are Gainers

Feeders have literally coined money. One load of heavy bullocks that sold at $12.50 at the high point in April cost only $7 one hundred days previously, and margins of $4 to $5 per cwt. were the rule. Even light cattle, that did not sell to the same advantage as big steers, paid well for their board. Those who handled western cows and heifers also pocketed substantial profits, as there was at all times a dearth of such beef, good-to-choice heifers selling anywhere from $8 to $10, and heavy cows from $7.50 to $9 per cwt., with a few specialties above these quotations.

Public Eating Beef Again

The gratifying phase of the situation is resumption of beef-eating. Price appeared to be no obstacle to sale. Each week the wholesale market was cleaned up, and bright and early the following Monday buyers were after cattle. Had hides been eligible to decent prices, and had other by-product been salable, the break late in April might not have been recorded. The incident demonstrates that the line between saturation and shortage is so finely drawn as to be almost imperceptible.

Poor Quality of Corn Hurting Condition

Killers have made a howl about low percentages, and dealers have kicked about deficient condition. A New York organ of the retail element indulged in a long dissertation on the subject: "Is Beef Quality Slipping?" What the editor referred to was condition, not quality. Thousands of qualitied cattle have gone to the shambles during the past ninety days in deficient condition, because corn did not put on gains even when fed in unlimited quantities. Condition is a feed proposition. When, as was the case last year, grain was full of oil and low in price, cattle naturally got fat; this time disgusted feeders let them go because they were not putting on weight. Government statisticians who "doped out" a bumper crop of corn last fall perpetrated a characteristic crop-estimate blunder.

Early May Brings Improvement

Discouragement engendered by the severe decline in medium and good cattle late in April was dissipated at the inception of May, when the forces of depression were routed. Just what caused the break is the subject of contention, as it was variously attributed to a slump in the beef market, too many cattle sent in response to the early April advance, a demoralized hide and by-product market, and sundry other influences. When the market "came back" almost overnight, much of this logic was disproved. Perhaps the reaction was the inevitable sequence of a miniature boom. On the break steers selling at $10.50 to $12 on the high point suffered most; when the rebound occurred, they regained practically all of the previous depreciation, while choice steers selling at $12.25 to $12.60 at the high point did not reach the high point of the season.

Cheaper Grades Remain Steady

A significant phase of these somewhat violent price mutations was that the cheaper grades of steers, selling from $10 down, were relatively steady. They were not seriously involved in the decline; in fact, below $9.50 they actually advanced, owing to feeder competition. On May 1 Wisconsin pasturemen took out 1,100-pound steers at $10.25, paying $9.50 to $10 for a string, thus recording the highest level of the year on that type of steers, which in this instance sold on a parity with the best fat cattle a year ago, when a spread of $8 to $10 took the great bulk of the fed cattle offered, against $9 to $11.50 on May 1 this year.

Hogs Not Making Money

As a money-maker, the hog is temporarily discredited. April prices were a distinct disappointment, not only to producers, but to killers. If the former wanted a stable market, they had it, as fluctuations were narrow, cost of packers' droves varying only a few cents from week to week. At the high spot of the month this cost was $7.50; at the low, it hovered around $7.30 at Chicago, but spreads between the markets were narrow. At all times it was a balky market. Packers scanned the horizon in hope of supply cessation, but week after week every market on the map was glutted, nightly hold-overs were heavy, the speculative arm of the trade was crippled, and even shipping demand subsided. While no heavy accumulation of lard occurred, a stock of frozen and cured meats approximating 1,200,000,000 pounds was an irresistible bear argument, and at a time when export trade was needed in the worst way Europe reduced buying. Germany, admittedly in need of meats, was short of American credits; France, resentful of exclusion of its wines from the American market by reason of the Volstead act, refused to buy our pork; and a deplorable industrial situation in the United Kingdom impaired demand from that quarter. To make matters worse, domestic consumers showed signs of being "fed up" on pork, after a whole long winter's gorging on that meat.

Pork Selling at Low Figure

Matters were not improved by disturbance in Packingtown's financial affairs. One of the big concerns, in an effort to reduce burdensome bank loans, resorted to the expedient of placing hams on sale all over the country; but even when offered at the low price of 20 cents a pound, the public did not develop ham hunger. Nevertheless, consumption was on a broad scale, and had been all winter; otherwise the accumulation might have been substantially larger. In the provision pit, lethargy ruled. Hedging by packers was impossible, as there were no buyers, and swapping product between packers was obviously impossible, as everybody in the business was loaded to the guards and anxious to jettison the deck load. The army of lawyers, doctors, nurses, dentists, farmers, and others, formerly keen on the scent of tips to buy product, appeared to be betting their simoleons on stocks or gambling in real estate, the result being that packers were forced to tote the load. Bankers, discerning no sign of diminishing hog supplies, with millions advanced on warehouse contents, assumed a logical attitude, the result being complete disappearance of bullish ammunition. A booming cattle market should have enabled the hog market to trail within respectable distance, but nothing of that nature was possible.

Reduction in Supplies to Be Looked For

Possibly the bearish features of the situation and the prospect have been exaggerated. A stock of meats in excess of a billion pounds looks burdensome; and yet there is abundant precedent. The stuff was put away cheaply, and constitutes a stock of good meats that cannot be duplicated. That it will be merchandised before the next crop of hogs is ready for the shambles, especially if summer beef production falls down, is reasonable expectancy. Contention is made that the price of hogs is ruinously low, and yet, in the aggregate, it has returned an enormous sum of money to the country—money that represents conversion of a crop of inferior corn which would have had little value otherwise. It is true that consumers have reveled in cheap meat, but when the production pendulum swings to an extreme in the other direction, as it inevitably will, the shoe will be on the other foot. It is an axiom that hogs always "come back," although the in-and-out element ignores that fact. Just how short the 1924 pig crop will be, compared with that of last year, must be left to conjecture, but

a 20 per cent reduction is logical expectancy, and curtailment to that extent will mean a radical difference in prices.

Packers Have Had Their Fill

But a short time has elapsed since Packingtown was megaphoning all over the country an injunction to "raise more hogs;" now it is appealing for supply surcease, recalling the incident of a farmer who during a period of drought requested his pastor to pray for rain. That request being complied with, a period of excessive humidity ensued, whereupon the farmer reversed his plea to the preacher. Packingtown has had its request for plenitude answered by somewhat embarrassing excess production, which at least affords consumers assurance against meat famine, as swine-growing possibilities have not even been tested, the bulk of this enormous crop having been grown in the Corn Belt.

Month of Fluctuations in Mutton Market

Foot-and-mouth disease alarms put the April lamb market off its stride, and Texas grassers demoralized the sheep phase of the trade. At the high point, lambs in the fleece reached $17.10, and shorn lambs $15.50. Sheep in the fleece sold up to $12.50, and shorn sheep up to $11.50. While lambs fluctuated somewhat wildly, the mature-mutton market held up well until the inevitable break occurred, when values slid downward so rapidly that the trade was astounded. At the end of April lambs in the fleece were still selling at $16.65, shorn at $14.90, while $8.75 was the stopping-point on fat ewes in the fleece, shorn stuff being unable to beat $7.50. During April $15.50 to $16.50 bought the bulk of the good lambs in the fleece, the bulk of the shorn stock selling at $13.75 to $14.50. Wooled sheep sold anywhere from $8.50 to $12.25, and shorn stock from $7.50 to $11.50. Yearlings could not be quoted, as the market was bare of stock of that age much of the time. Whenever shippers were in the trade it was an active market, and rarely was eastern competition completely stifled, as the advertised big gob of lambs failed to materialize at Buffalo and other eastern points, although positive statement had been made that territory east of Chicago had loaded to the guards last fall. Little shearing was done, as packers wanted wool, and eastern shippers always prefer wooled stock.

Foot-and-Mouth Scare in Denver

When Denver was closed by a foot-and-mouth disease scare, Colorado feeders, in apprehension of a tie-up, loaded out several hundred cars of lambs earlier than would have been the case otherwise, filling feed-barns near Chicago and temporarily throwing an excessive supply on the market. This caused an abrupt decline during the third week of the month, forcing the bulk of the wooled lambs from $16.25 to $16.90 down to $15.50 to $16.35, shorn lambs declining from a $14.50 to $15.40 bulk basis to $13.75 to $14.60. Part of this loss was restored, but the crest of a somewhat sensational rise was reached during the week of April 17, when wooled lambs sold at $17.10, shorn lambs at $15.50, fat wethers at $12.50, and fat ewes at $12.25. During the same week yearlings in the fleece scored at $14.10, shorn ewes at $11, and shorn wethers at $11.50.

Texas Grassers Paralyzing Sheep Trade

A liberal run of Texas grass sheep during the latter half of April paralyzed the mature-mutton market. Demand for that meat was at no time broad, the phenomenal prices paid being due to scarcity. The trade can always use a little heavy mutton, but when supply increases slightly the bottom falls out of the market.

Packers Operating at a Loss

Packers claim to have been operating at a loss, which is probably true; and yet it is surprising how eastern butchers have filled heavy orders at Chicago week after week, disposing of pelts and product at a profit—otherwise they could not have continued at the game.

Limited Supply of Spring Lambs

Spring lambs made their appearance about the middle of April, in limited numbers, selling mainly at $17 to $22 per cwt., with a few at $25 to $30. Had a few more been available, it is probable that prices would have been on a parity with fed lambs, which, after all, are preferable both from an economic and from a gastronomic standpoint.

Profitable Season for Feeders

It has been a profitable season for feeders since the market began its upward course, although early feeding caused a loss of money. Later profits of $4 to $5 per head were scored. The feed-bill has been high, and mortality a serious drain on feeders' pockets. Those who laid in thin western ewes last fall have profited enormously, as initial cost was low and feeders' margins unprecedented.

TRADE IN STOCKERS REVIVING

J. E. P.

ALL THROUGH THE WINTER and until well along in April stock-cattle trade was dormant. Overnight it came to life. The Mineral Point (Wisconsin) coterie of graziers sounded the tocsin about the middle of April by competing actively with killers on fleshy steers selling anywhere from $8 to $10 per cwt. One Wisconsin man paid $10.60 at Omaha for three loads of corn-fed steers to go on pasture, and buyers from the same locality were active on the Chicago market, paying $9.50 to $10.10 per cwt. for cattle which they had to take away from killers. Corn Belt feeders who had emptied their feed-lots decided in many instances to keep at it, taking out steers at $9 to $9.75. One drove of Montana steers, weighing 905 pounds, that had been well wintered, was taken by an Illinois feeder in April at $9.75, and several strings of Canadian cattle went out at $8 to $8.75. When the "dollar break" occurred in fat cattle late in April, feeders took advantage of the opportunity to pick up a few thousand fleshy steers at $9 to $9.50, paying 25 cents more per cwt. than killers bid on the same cattle. This competition propped prices below the $9.50 line, so that the decline on such stuff was negligible, while bullocks previously selling at $10 to $12.50 broke 75 cents to $1.25 per cwt.

On one session in April country buyers took cattle on the Chicago market at a range of $5 to $10.10 per cwt. Both weight and quality were factors, but in the case of light cattle quality was insisted on. Where ten bids could be elicited for qualitied thin yearlings at $7 to $7.50, one was not available for common steers selling at $5 to $6. Obviously roughing common cattle through the winter is unprofitable, as feeders are reluctant to invest at this time in stock that will encounter western competition at the end of the grazing season.

Before the country invaded the market, fleshy light steers were a veritable drug; but, with characteristic perversity, the moment feeders laid claim to such cattle, killers discovered uses

for the beef. Frequently, after a stocker man had gathered a few carloads of $8 steers, a killer diverted them from the country to the slaughter-beds by paying a profit of 30 to 50 cents per cwt.

A survey of supply day after day lends color to the theory that both stock cattle and beef are anything but superabundant. The countryward movement of light cattle has run considerably below the five-year average of the first four months, and promises to continue on that basis. But for feed scarcity and a backward season, cattle shortage would have been even more apparent.

Cattle stocks in the Corn Belt are at low ebb, unless nearly everybody interested and competent to testify has become a disciple of Ananias. The common purpose at present is to replenish depleted feed supplies by getting in a full corn acreage. With feed short, there is lack of incentive to put in cattle. In fact, thousands have been dislodged prematurely and sent to the shambles for that reason. The test of supply will come next fall, if a full corn crop is made, and the fat-cattle market is equal to a creditable performance meanwhile.

WOOL TRADE DRAGGING

J. E. P.

WOOL-TRADE CONDITIONS on the North American continent are in striking contrast to those elsewhere. Ultimately the present disparity between foreign and domestic prices will be adjusted. The situation at the moment is nebulous and somewhat inexplicable. In fact, the only plausible explanation is that the public is investing sparingly in clothing. Possibly the rent man is to blame.

A significant phase of the wool situation is continuance of exporting on a generous scale, due to the relatively higher level of prices abroad. While the American textile industry is in a semi-paralyzed condition, foreign markets are strong, with an advancing tendency. British wool-holders are emphatically optimistic, in confidence of extensive French, German, and Belgian buying, due to improvement in the exchange situation. London is admonishing American mills to cover their requirements promptly.

Meanwhile there is no disposition in manufacturing circles to anticipate needs. Much wool-manufacturing machinery is idle, with no immediate prospect of getting into action. While much ado is made about wool prices, the fact is indisputable that clothing cost is due to high wages and expense incidental to distribution, prompting, if not forcing, consumers to economize in the matter of clothing. Dealers are in a somewhat unenviable position, from either the buying or the selling standpoint. Any changes in wool stocks are in the direction of shrinkage, which, in view of heavy exporting, may have a far-reaching influence at no distant date. In trade circles "something is expected to turn up" along in May. What that "something" is, and what are the factors to develop it, no one seems to know.

Operations in the West are on a limited scale, at prices ranging from 39 to 43 cents in Nevada, Wyoming, and Idaho. In Texas twelve-months wools have sold at 46 cents and eight-months clips at 41 to 42 cents.

Commenting on the situation on this side of the Atlantic, an English authority expresses a hope that, after exporting so much wool from Boston, American dealers will not find themselves short of stocks and three months hence start a buying furore at materially higher prices. Meanwhile our wool imports have been more than cut in two. In fact, during the eight-month period ending with March, 1924, we imported only 70,000,000 pounds, compared with 188,000,000 pounds last season.

Western sheepmen are standing pat, in confidence that the world's market situation favors them; which is a logical theory, unless the American people should return to primeval apparel conditions by arraying themselves in skins.

HIDES CONTINUE DEPRESSED

J. E. P.

SOMETHING is still radically wrong with the hide and leather markets. Prospects for improvement are remote. The Armour leather concern trailed a long list of annual reports revealing heavy operation losses in 1923, but garnished with stereotyped optimism concerning the future. Meanwhile the hide market is a bad actor. Colorado and light Texas packer hides are moving at 9½ cents, heavy native cows at 9 to 10 cents, and heavy native steers at 11 to 11¼ cents. Never before have No. 1 hides sold around the same figures as the cattle from which they were peeled.

Country hides are slow. Some good extreme-weight hides are bringing 10 cents, although buyers are not interested at over 9½ cents for good lots and consider badly grubby stock top at 9 cents.

The River Plate market has declined, and domestic leather trade is about as seriously depressed as could be imagined. South America has been sending hides in large quantities to Europe and the United States, but values have not responded. Germany has been a free buyer in Argentina, which is diverting some of the surplus in that quarter from this market. Boston reports gratifying revival of European business at better prices than domestic tanners can afford to pay. But for revival of European demand, hides would be selling still lower.

The use of leather is being steadily restricted and tanning operations curtailed. Leather belting is no longer used, women's shoes are made largely of other materials, motor-car makers are using wool for upholstering closed cars, and the use of harness has been materially cut down. Production of leather by American tanneries is steadily declining. The shoe industry is languishing to an extent that is responsible for a New England campaign to revise wages, diversify production, and increase exports. The consuming public is balking at current high prices of good footwear and the inferiority of cheaper grades of shoes. Perhaps the root of the trouble is located in the shoe-factory sphere—partly, at least; while high cost of distribution, meaning retailers'-profits, is open to criticism.

"I think THE PRODUCER is a valuable publication for any stockman."—J. P. DUKE, Lakeview, Ore.

LIVE-STOCK MARKET QUOTATIONS

Thursday, May 1, 1924

CATTLE AND CALVES

STEERS (1,100 lbs. up):	CHICAGO	KANSAS CITY	OMAHA
Choice and Prime	$11.50-12.50	$10.65-11.75	$10.90-12.00
Good	10.50-11.75	9.50-10.75	9.65-11.10
Medium	8.50-10.65	7.75- 9.75	7.75- 9.90
Common	7.25- 8.65	6.00- 8.00	6.00- 8.00
STEERS (1,100 lbs. down):			
Choice and Prime	11.25-12.25	10.25-11.50	10.50-11.60
Good	10.25-11.50	9.00-10.35	9.25-10.90
Medium	8.25-10.50	7.50- 9.25	7.65- 9.65
Common	6.25- 8.50	5.75- 7.75	5.75- 7.75
LIGHT YEARLING STEERS AND HEIFERS:			
Good to Prime	9.65-11.75	8.00-10.75	8.75-11.00
HEIFERS:			
Good to Choice	8.00-10.00	6.50- 9.00	7.35- 9.25
Common to Medium	5.35- 8.00	3.50- 6.75	4.50- 7.35
COWS:			
Good to Choice	6.35- 8.75	5.75- 8.00	5.75- 8.25
Common to Medium	3.65- 6.35	4.00- 5.75	4.25- 5.75
CALVES:			
Medium to Choice (190 lbs. down)	6.75-10.25	7.25- 9.25	6.25- 9.00
Culls to Common (190 lbs. down)	4.00- 6.50	3.00- 7.25	4.25- 6.25
Medium to Choice (190 to 260 lbs.)	5.25-10.00	5.00- 9.00	5.50- 8.75
Medium to Choice (260 lbs. up)	4.50- 8.25	5.00- 8.00	5.00- 7.25
FEEDERS AND STOCKERS—			
STEERS:			
Common to Choice (750 lbs. up)	6.25- 9.75	5.00- 9.25	5.50- 9.25
Common to Choice (750 lbs. down)	5.75- 9.00	4.25- 8.50	4.85- 8.50
COWS AND HEIFERS:			
Common to Choice	3.50- 5.75	2.50- 6.25	3.00- 6.50
CALVES:			
Common to Choice	....	4.00- 7.50	4.00- 7.75

HOGS

Top	$ 7.50	$ 7.20	$ 7.15
Bulk of Sales	7.10- 7.45	6.90- 7.15	6.90- 7.10
Heavy Weight, Medium to Choice	7.25- 7.50	7.05- 7.15	7.00- 7.15
Medium Weight, Medium to Choice	7.20- 7.45	7.05- 7.20	6.90- 7.15
Light Weight, Common to Choice	6.90- 7.40	6.45- 7.15	6.50- 7.05
Light Lights, Common to Choice	6.00- 7.25	5.40- 6.80	6.25- 6.85

SHEEP AND LAMBS

LAMBS:			
Medium to Prime	$14.75-16.85	$14.25-16.40	$14.00-16.50
Culls and Common	11.25-14.75	10.50-14.25	10.50-14.00
YEARLING WETHERS:			
Medium to Prime	12.00-15.00	11.00-14.25	11.25-14.25
WETHERS:			
Medium to Prime	6.75-10.75	7.00-10.35	6.50-10.75
EWES:			
Common to Choice	5.25- 8.75	5.75- 9.10	5.00- 8.25

LIVE STOCK AT STOCK-YARDS

APPENDED ARE TABLES showing receipts, shipments, and slaughter of live stock at sixty-seven markets for the month of March, 1924, compared with March, 1923, and the five-year average, 1919-23:

RECEIPTS

	March 1924	March 1923	Five-Year Average
Cattle	1,556,105	1,501,653	1,573,776
Hogs	4,833,193	4,926,387	3,861,545
Sheep	1,366,770	1,429,787	1,445,508

TOTAL SHIPMENTS*

	March 1924	March 1923	Five-Year Average
Cattle	549,014	553,844	590,636
Hogs	1,853,533	1,702,535	1,379,021
Sheep	654,460	646,296	615,846

*Includes stockers and feeders.

STOCKER AND FEEDER SHIPMENTS

	March 1924	March 1923	Five-Year Average
Cattle	174,514	198,167	246,920
Hogs	51,656	68,596	83,555
Sheep	83,266	114,334	122,690

LOCAL SLAUGHTER

	March 1924	March 1923	Five-Year Average
Cattle	990,969	955,709	971,818
Hogs	2,975,596	3,233,638	2,488,046
Sheep	719,010	805,096	831,067

"I would not be without THE PRODUCER. It is the best live-stock journal that I have ever read."—W. C. COLCORD, Roosevelt, Ariz.

TRADE REVIEW

EXPORTS OF MEAT PRODUCTS IN MARCH

EXPORTS OF MEATS AND MEAT PRODUCTS for the month of March and the nine months ending March, 1924, as compared with the corresponding periods of the previous fiscal year, were as below (in pounds):

BEEF PRODUCTS

Articles	March		Nine Months Ending March	
	1924	1923	1924	1923
Beef, fresh	172,210	365,016	2,317,948	3,256,224
Beef, pickled, etc	1,630,385	2,312,125	16,375,845	18,529,540
Beef, canned	124,380	104,438	1,252,533	1,786,382
Oleo oil	8,088,681	10,648,635	67,782,881	79,700,665
Totals	10,015,656	13,430,214	87,729,207	103,272,811

PORK PRODUCTS

Articles	March		Nine Months Ending March	
	1924	1923	1924	1923
Pork, fresh	2,648,999	3,123,200	44,352,241	33,899,769
Pork, pickled	2,760,454	3,324,946	31,179,585	32,750,693
Bacon	34,002,064	40,548,895	353,736,501	310,326,081
Hams and shoulders	32,692,442	25,891,696	287,895,091	224,667,776
Sausage, canned	339,578	198,624	2,353,412	2,047,233
Lard	100,726,290	109,187,123	819,468,430	709,362,635
Neutral lard	2,228,714	2,953,901	16,981,419	20,041,383
Lard compounds	601,740	672,462	5,249,593	9,487,337
Margarine	51,770	276,875	923,256	1,598,814
Totals	176,052,051	186,177,722	1,562,139,528	1,344,181,721

HOLDINGS OF FROZEN AND CURED MEATS

BELOW IS A SUMMARY of storage holdings of frozen and cured meats on April 1, 1924, as compared with April 1, 1923, and the average holdings on April 1 for the last five years (in pounds):

Commodity	April 1, 1924	April 1, 1923	Five-Year Average
Frozen beef	68,086,000	65,292,000	129,748,000
*Cured beef	25,139,000	25,210,000	26,796,000
Lamb and mutton	1,771,000	6,635,000	11,611,000
Frozen pork	226,339,000	189,115,000	159,791,000
*Dry salt pork	192,719,000	206,429,000	298,990,000
*Pickled pork	510,913,000	469,130,000	395,529,000
Miscellaneous	80,551,000	69,997,000	87,503,000
Totals	1,105,518,000	1,031,808,000	1,109,966,000
Lard	85,712,000	66,743,000	105,370,000

*Cured and in process of cure.

NOTES FROM FOREIGN LANDS

New Packing Plant for Ireland

A packing establishment will be erected in one of the southern towns of Ireland, to handle cattle and hogs from adjacent counties.

Foot-and-Mouth Disease in England

From August 27, 1923, to April 1, 1924, about 100,000 cattle, 40,000 sheep, and 46,000 hogs had been slaughtered in England on account of foot-and-mouth disease, at a total cost of $11,825,000.

FOREIGN

LIVE-STOCK INTERESTS IN AUSTRALASIA

BY A. C. MILLS

[Special Correspondence to The Producer]

MELBOURNE, VICTORIA, March 15, 1924.

THE DELEGATES sent to "The East" by the Australian Meat Council to spy out new, and develop old, markets for Australian meat have returned with singularly empty hands. Judging by their published reports, Japan is the one and only place with which any worth-while expansion in the trade can be looked for. That country is apparently prepared to take regular small parcels of lean frozen beef, and there seems to be a possibility of the demand gradually increasing, although it will probably be a very long time before the consumption reaches any considerable proportions. The hope that India would provide a good market has been dashed to the ground. The delegates found that local supplies of live stock there were amply sufficient for the relatively small quantity of meat consumed, and that there was no reasonable chance of increasing the consumption. The Malay States, of which Singapore is the principal center, already import a certain amount of frozen meat and live stock from Australia. The inquiries of the representatives of the council did not lead them to expect any material expansion in this direction. Much the same applies to Java, while Siam and Indo-China figure as exporters of live cattle to Singapore, and can therefore be classed as competitors with Australia rather than as potential customers.

The failure to discover new outlets for our surplus beef has caused northern cattle-growers again to consider schemes for profitable marketing in the southern states of the Commonwealth. Apart from the distances and lack of adequate transport facilities, the chief difficulty in the past has been the prevalence of cattle ticks over a considerable proportion of the pastoral areas of Queensland. The southern states rightly impose stringent quarantine regulations on stock from the tick-infested country, which greatly add to the already high cost of moving beasts south, while the necessity for dipping depreciates their value.

The latest idea to get over these disabilities is to build abattoirs, with chilling and freezing works, at the New South Wales-Queensland inland railway border town of Wallangarra. A company is now in process of flotation with this object in view. Perhaps it would be more correct to say that an effort is being made to raise the funds for a company; for it is by no means certain that the necessary capital will be found. After so many bad seasons and bad years financially, northern cattlemen are not at present flush with money, and it will be a hard matter to dispose of the 60,000 one-pound shares necessary to initiate the scheme. If successful in raising the required amount, the promoters propose to slaughter the cattle on the border, and to rail the meat in either a chilled or a frozen condition to Sydney and Melbourne. Cattle in those cities generally sell at anything from $12 to $16.80 per 100 pounds during the winter, whereas Queensland growers have to be content with $6 at the most. It will be seen that there is plenty of margin to allow for the inevitable drop in values in the south, due to increased supplies, if the scheme materializes.

Last year a small quantity of frozen and chilled beef was brought south from the Queensland coastal packing-houses, and realized good money to the shippers. Much more would

have been done in that direction had sea freight been available. The coastwise shipping companies say that the demand for refrigerated space is so spasmodic that it is not worth their while to fit boats with extensive chambers, and therefore they are not inclined to cater for the traffic. As regards oversea vessels, the Australian Navigation Act precludes them from carrying cargo between interstate ports, except under particular circumstances. On the representation of the Meat Council, the regulations were waived in the case of a few boats last winter, and steps are being taken to get further concessions this season. I am inclined to think it is the anticipation of this being done that explains why packers are today buying cattle at a figure so much above existing export parity. One firm has lately been paying up to $6.25 per 100 pounds for prime bullocks in the Brisbane yards, whereas on the basis of Smithfield (London) prices the rate should not have been more than $4.30 or $4.80.

The brightest spot at the moment in the cattleman's outlook is the improvement that has taken place in seasonal conditions throughout the north. Widespread storms during the last four weeks have entirely altered the position, and it now seems almost certain that there will be enough feed, in Queensland and the Northern Territory at all events, to carry stock through the winter. It will naturally take some time for cattle in the previously dry areas to get into slaughter condition. This is going to delay the opening of certain of the packing-houses in north Queensland, and will probably restrict the killings.

Conditions in the south leave little to be desired. The general rains of earlier in the summer, supplemented lately by fairly frequent showers and storms, have caused a remarkable growth of feed. As a result, the whole countryside is as green as the proverbial leek, and has more the appearance of spring than of the tail end of summer. The presence of so much natural feed is keeping stock values at an abnormally high level for the time of the year right through the south. Stores as well as fats, of both cattle and sheep, are selling exceptionally well, and, as far as can be judged, there is no immediate fear of prices dropping back materially. Of course, some fluctuations are bound to take place, but, with the country so lightly stocked, a solid level is almost certain throughout the winter. Fat sheep and lambs are away above oversea parity, and consequently all the packing-houses in the south have closed down. It is not expected they will reopen again before the spring.

The main cattle-raising areas of the North Island of New Zealand recorded fair to good rains during February, and prospects there are much better than was the case six weeks ago. Unfortunately, a considerable belt of the South Island sheep country is still very dry—is, in fact, suffering from a drought, a most unusual happening for New Zealand. Despite the dry spell experienced, fat stock has held its condition wonderfully well, and is also retaining its market value. When the last mail left, at the beginning of March, prime bullocks were fetching $60 to $75 in the Addington yards, Christchurch, and medium weights $46 to $59. Average-weight fat wethers ranged from $7.45 to $8.20. Cattle in the North Island, where supplies are much heavier, have not been selling so well. The best description of fat bullocks run from $45 to $49 a head, with medium and handy-weights to $44. Packers are taking a fair number of steers for export as frozen beef out of the markets, buying on the basis of $4.80 per 100 pounds for prime stuff.

It is proposed to form a Meat Producers' Co-operative Association of South Africa, to control the marketing, slaughtering, and distribution of meat both for internal consumption and for export, and to stabilize the price of all meat produced.

ENGLISH LIVE-STOCK LETTER

BY JOSEPH RAYMOND

LONDON, April 15, 1924.

THE LIVE-STOCK TRADE in Great Britain has, although variable, been on the whole of a fairly steady nature during the past month, any shortage in supplies being promptly reflected in a hardening of prices. The average rates for first- and second-quality cattle are again up to $3 and $2.65, respectively, per 14-pound stone (reckoning $4.33=£1), cows averaging $2.24, with a good, active demand. With many sheep coming off roots, the markets have been well supplied, and prices are a shade higher.

The reported refusal of the Australian premier to renew the one-half-cent-per-pound subsidy to Commonwealth meat-exporters for the coming season is a subject of considerable comment in British meat-importing circles, as it is thought that this will be a big blow to an industry already greatly harassed by oversea competition. Seeing that in a single season this enriched the pockets of the Australian producers and shippers to the extent of over half a million dollars, the upholding of the subsidy is likely to raise a good deal of discussion.

The trial shipment of chilled beef from New Zealand under the Linley process arrived in London in the early days of this month, but the outturn was unsatisfactory. The cause of this is said to have been that the inventor, J. A. Linley, who went over to New Zealand and accompanied the cargo home, met with an accident in Wellington, and was in hospital at the time the preparations were being made. The conditions were not properly regulated, and, also on account of delay in the homeward voyage, the meat had to be frozen down before arriving.

There is assembling in June in London a gathering which is considerably interested in oversea meat questions. This is the Fourth International Congress of Refrigeration—an event which last took place in Chicago in 1913, and prior to that in Vienna in 1910 and in Paris in 1908. Its appeal to Britain is great, since not only is this country the world's greatest refrigerated-meat market, but it is also the entrepot, or half-way house, for a great amount of refrigerated meat and produce, and is, moreover, a large manufacturer and exporter of refrigerating machinery. The United States, through the American Association of Ice and Refrigeration and other allied institutions, is sending across the Atlantic a considerable contingent to the congress meetings, in which it is anticipated that valuable trade and technical discussions will take place.

Among the countries participating in the refrigeration congress is Australia, and the Commonwealth government, deeply interested as it is as an exporter, has appointed two official delegates. Toward the selection of these the Australian Meat Council had originally nominated Captain A. W. Pearse, of Sydney, ex-editor of the *Pastoral Review*, who attended at Chicago in 1913 on behalf of Australia. Captain Pearse was asked to submit a paper which he had written on the Australian meat trade to the Australian Board of Trade, and, curiously enough, his official appointment by the government was not thereafter confirmed.

The Australian government has no use for candid critics, even if they are lifelong authorities accredited by industry in general. Captain Pearse's paper was, in fact, a fearless and cogent call to Australia to improve those of her methods and conditions in which she was behind the rest of the world. Indeed, Pearse averred that, even allowing for Argentina's nearer situation to England, Australia could still kill, freeze, and ship to Great Britain nearly as cheaply as South America, if trading were done on economical lines, which was far from always being the case. Shorter seasons for the meat-works, heavy port, pilot, and light dues, uneconomical loading conditions, etc., were the adverse factors.

ROUND THE RANGE

APRIL CONDITION OF PASTURES AND STOCK

Prospects for grazing in the West improved noticeably during March, and raised the average condition of the range from 89 per cent of normal on March 1 to 91 per cent on April 1, according to the Division of Crop and Live Stock Estimates. One year ago the average was 84 per cent. Cattle showed a slight decline in March, but condition averaged fairly high on April 1, being 92 per cent of normal, compared with 89 one year ago. Losses were reported generally as light. Sheep also showed a slight seasonal decline during March, but condition on April 1 averaged 97 per cent, compared with 93 one year ago. Prospects generally were favorable for a good lamb crop. Details by states follow:

Arizona.—Rains and snows in March resulted in well-seasoned soil and replenishment of stock water over entire state. Browse softening and putting out leaves, weeds coming, and permanent grasses sprouting. Stock generally wintered well.

California. — Pasture conditions improved noticeably by rains in March. In northern half fairly good supply of pasturage, but in southern half practically no new grass.

Colorado.—Cattle and sheep in very good condition. Feed supply reported as satisfactory.

Idaho.—Pastures and ranges held back further by lack of precipitation. Lambs and ewes not doing so well, on account of poor quality of hay.

Kansas.—Short-grass pastures generally good, and most of western part of state had fairly heavy snowfall in March. Wheat pasture generally good, especially in southwest, but short in northwest.

Montana.—Prospects for early grass excellent. Supply of old grass plentiful in some localities and short in others. Stock in good condition. Prospects favorable for good lamb and calf crops.

Nebraska.—Situation in range and pasture sections varying greatly. Generally plenty of hay and feed, but some local shortages. Considerable restocking in some localities, and none in others. Some heavy losses, but average light.

Nevada.—Range improved by March storms, except in north-central section, where unusually low temperatures killed much of early grass. Dry area in south revived by one or two inches of moisture.

New Mexico.—Snow covered ranges in north and in high altitudes in March. Considerable feeding necessary. Losses of stock below normal for season. Good calf and lamb crops in prospect.

North Dakota.—Pastures and ranges in south and west improved by snowfall last week in March. Stock maintaining its good condition. Noticeable tendency for stockmen to do more farming and for farmers to raise more live stock in western area of state.

Oklahoma.—Present condition of pastures lowered by snows and wet, cold weather, but prospects excellent for grazing later. Cattle losses higher than usual, due to exposure and lack of sufficient feed. Prospects for calf crop smaller than last year.

Oregon.—Snowfall in March materially improved outlook for water on forest reserves. Slight loss of early lambs, due to rough weather.

South Dakota.—Range open and in fine condition, water-holes full, hay abundant, and live stock in good flesh.

Texas.—Cold, wet weather in March retarded growth of grass, but stock doing fairly well on weeds and short grass. High winds have dried soil to some extent. Cattle have come through winter in fair shape, and are in condition to take on flesh rapidly. South Texas fat cattle moving to market. Sheep in good condition and losses light.

Utah.—Ranges improved by storms in March. Dry section in south received enough moisture to provide stock water and insure growth of feed.

Washington.—Ranges deteriorated somewhat on account of cold weather in March. Cattle and sheep doing well, and early lambs thriving.

Wyoming.—Entire state well supplied with moisture. Storms and cold weather in March delayed spring ranges in few sections. Generally good covering of old grass to protect new. Sheep wintered unusually well. If weather is favorable, sheepmen expect good lamb crop. Some shrinkage in cattle reported in northern and eastern two-thirds of the state, due to severe March weather.

CATTLE ON FEED APRIL 1

Number of cattle on feed in Corn Belt states April 1 was only 95.5 per cent of number on feed April 1, 1923, according to an estimate by the Department of Agriculture. States both east and west of the Mississippi River showed fewer cattle on feed, but the largest percentage decline was in the eastern group, where the number was only 92 per cent of last year's, while in the western group it was nearly 97 per cent. Only two states, Nebraska and South Dakota, showed more cattle on feed this year than last. Percentages by states were as follows: Ohio, 92; Indiana, 90; Illinois, 95; Michigan, 85; Wisconsin, 90; Minnesota, 95; Iowa, 92; Missouri, 93; South Dakota, 110; Nebraska, 108; Kansas, 85.

The decrease in feeding seems to be due either to an actual shortage of corn or to a shortage of corn of good feeding quality, rather than to a shortage of feeding cattle or to the present or prospective prices of fed cattle.

BETTER BEEF BULL CAMPAIGN

A campaign to replace scrubs and grades with pedigreed bulls, so as to improve the quality of our beef cattle, is being promoted by Armour & Co. in the twelve principal cattle-producing states. The campaign takes the form of a series of contests, in which county organizations in Ohio, Indiana, Illinois, Minnesota, Iowa, Missouri, South Dakota, Nebraska, Kansas, Colorado, Oklahoma, and Texas are eligible to enter. Cash prizes amounting to $7,200 have been put up. Awards will be based on the number of bulls replaced by pure registered sires throughout the year. Replacements may be made from any of the following breeds: Shorthorn, Polled Shorthorn, Hereford, Polled Hereford, Aberdeen-Angus, Galloway, Red Polled, and Devon. All entries in the contest are to be made with the extension animal husbandmen at the agricultural colleges of the respective states. Further details may be had by correspondence with Armour's Live Stock Bureau, Chicago.

INTERNATIONAL TO HOLD SILVER JUBILEE

The International Live Stock Exposition at Chicago will celebrate its silver jubilee November 29 to December 6, 1924, having been founded in 1900. Special efforts are being made to stage the greatest show in its history. Interest in the sheep carload competitions has been greatly stimulated by the announcement of liberal money awards, in addition to the regular premium list and breed specials. With the lamb market holding the strategic position it does today, it is anticipated that the finest display of killing sheep and lambs ever assembled will compete for the liberal prizes offered. Detailed information can be secured from B. H. Heide, secretary and manager of the International Live Stock Exposition, Union Stock Yards, Chicago.

CATTLE DISEASE IN CALIFORNIA HOLDS UP ARIZONA SHIPMENTS

Salt River Valley beef cattle began moving to Los Angeles packing plants early in the week beginning April 20. The period during which the stock-yards at Los Angeles were closed covered about eighteen days, tying up shipments from this section. Shipments can now move again, but only under permit, and all slaughtering must take place within forty-eight hours from time of arrival. Due to the empty coolers, prices on resumption of business were generally 50 cents higher. Top price for the week was $9.85, $9.50 taking the bulk of the best kinds.

Live-stock shipments do not have to pass through the stock-yards, but can move directly to individual packing plants. The Associated Meat Company is, however, the only plant receiving cattle shipments direct to its own pens. All other packers are allowing shipments to go through the stock-yards for inspection and disinfection.

STANDARDIZING CUTS OF MEAT

Standard methods of cutting meats for the wholesale and retail trade, now varying widely in different markets, are advocated by the Department of Agriculture in Circular 300, entitled "Commercial Cuts of Meat," by W. C. Davis, recently issued. Differences in cutting practices now prevailing, it is contended, make comparisons of prices difficult, reduce the possibility of exchanging cuts between markets, and increase the probability of gluts where there is no constant local demand for certain cuts. The problem concerns fresh meats principally, and relates particularly to beef, veal, lamb, and mutton, shipped from slaughtering points to consuming centers in full carcasses, sides, and quarters, and divided according to the method in use at the local market.

After careful consideration, the method of cutting practiced at Chicago is recommended by the department.